

The amendments were, on page 1, line 3, to strike out "accounting officers of the Treasury Department" and insert "Comptroller General of the United States"; in line 4, to strike out "are" and insert "he is"; on page 2, line 11, to strike out "said accounting officers" and insert "the Comptroller General of the United States"; in line 15, to strike out "accounting officers" and insert "Comptroller General of the United States"; and in line 17, to strike out "they" and insert "he," so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to receive, examine, and determine the claims of Liberty loan subscribers for losses suffered by them by reason of payments on Liberty bond purchases made through the North Penn Bank of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers and Merchants State Bank, Kenmare, N. Dak., for which bonds were not delivered on account of the failure of said banks, and to determine the amount of losses actually suffered by each claimant, not exceeding the amount paid by them, less all sums paid or to be paid said claimant upon the liquidation of said banks.

SEC. 2. That the amount of the loss actually suffered as so ascertained and determined shall be certified by the Comptroller General of the United States to the Secretary of the Treasury, who shall pay the same to said claimants out of any money in the Treasury not otherwise appropriated. Said Comptroller General of the United States may also, before the final liquidation of said banks, whenever he can determine the approximate amount to be paid to claimants hereunder, certify the same to the Secretary of the Treasury, who shall thereupon have power to pay claimant such sum, upon the claimant assigning to the said Secretary for the benefit of the United States all interest he may have in any additional sum which may become payable to such claimant from said banks or the receiver thereof on account of his payment for such Liberty bonds: *Provided, however,* That no payment hereunder shall be given to any claimant found to be a director or officer of the failed banks at the time he became a subscriber for such bonds.

The Secretary of the Treasury shall have no power to act upon any claim hereunder not presented within six months after the passage of this act.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

INDIAN SCHOOL NEAR TOMAH, WIS.

Mr. SPENCER. From the Committee on Indian Affairs I report back favorably, without amendment, House bill 10957, to rebuild the school building of the Indian school near Tomah, Wis.

This bill is to replace an Indian school at Tomah, Wis., which burned down in February. It is a nonreservation school, and accommodates about 300 pupils. The department is very anxious to commence the rebuilding of the school, so that it may be finished in time for the fall term, and I ask unanimous consent for the present consideration of the bill.

Mr. OVERMAN. Mr. President, did we not consider that in connection with the Indian appropriation bill?

Mr. SPENCER. No; it was another one. I thought we did, and I went down to investigate it. It was another building in the Northwest; it was not this one.

Mr. ROBINSON. What is the amount of the appropriation?

Mr. SPENCER. About \$50,000.

Mr. JONES of Washington. Does this bill make an appropriation?

Mr. SPENCER. No; this is a House bill, and, in the language of the bill, it authorizes the appropriation to be made.

Mr. ROBINSON. The fund will actually be appropriated through the Appropriations Committee on this authorization?

Mr. SPENCER. It will.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to cause the school building of the Indian School, recently destroyed by fire, near Tomah, Wis., to be rebuilt upon the ground and site now owned by the Government, and refurnished in such manner as to meet the present needs of the said school as well as such needs as may reasonably arise in the future, at a cost not to exceed \$50,000, including heating, ventilating, plumbing, etc., which may be incident to said rebuilding.

SEC. 2. That the sum of \$50,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes aforesaid.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent

in executive session the doors were reopened and (at 5 o'clock and 47 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Thursday, July 20, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 19 (legislative day of April 20), 1922.

REGISTERS OF THE LAND OFFICE.

Claude C. Turner, of North Dakota, to be register of the land office at Dickinson, N. Dak.

Robert E. Patterson, of Minnesota, to be register of the land office at Duluth, Minn.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 19 (legislative day of April 20), 1922.

ASSISTANT APPRAISER OF MERCHANDISE.

Laird Curtin to be assistant appraiser of merchandise in customs collection district No. 11, Philadelphia, Pa.

REGISTER OF THE LAND OFFICE.

Edwin E. Winters to be register of land office at Montgomery, Ala.

POSTMASTERS.

NEW YORK.

Pearla S. Kling, Albany.

George M. Edsall, Nanuet.

PENNSYLVANIA.

Malcolm F. Clark, Coudersport.

Elmer G. Cornwell, Mansfield.

REJECTION.

Executive nomination rejected by the Senate July 19 (legislative day of April 20), 1922.

POSTMASTER.

Lawson J. Pritchard to be postmaster at Tennille, Ga.

SENATE.

THURSDAY, July 20, 1922.

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. UNDERWOOD obtained the floor.

Mr. NORRIS. Will the Senator from Alabama permit me to submit a report, as I am about to leave the city?

Mr. UNDERWOOD. I yield for that purpose.

THE MUSCLE SHOALS PROJECT.

Mr. NORRIS. Mr. President, I ask unanimous consent to report a joint resolution on the Muscle Shoals proposition from the majority of the Committee on Agriculture and Forestry.

The joint resolution (S. J. Res. 227) rejecting bids for the acquisition of Muscle Shoals was read twice by its title.

Mr. NORRIS. I ask that the accompanying report (No. 831) be printed.

The PRESIDENT pro tempore. The report will be printed under the rule.

Mr. NORRIS. The report also expresses the views of the minority on the bill (S. 3420) to provide for the manufacture of explosives for the use of the Army and Navy, to provide for the manufacture of fertilizer for agricultural purposes, to incorporate the Federal Chemical Corporation, and for other purposes. Later on, I understand, there will be a minority report made by other members of the committee on the Ford offer and an adverse majority report on Senate bill 3420.

Mr. ROBINSON. May I ask the Senator what is the minority report that he is presenting? I understand that he is presenting a majority report relating to Muscle Shoals and the propositions which have been submitted concerning it.

Mr. NORRIS. In the same report there are some views expressed by a minority, naming who they are, with reference to the bill. On that bill there will be a majority report later on; I do not know when; but that is understood in the committee.

Mr. UNDERWOOD. I suggest that the Senator from Nebraska ask unanimous consent that the minority may have an opportunity to present their views.

Mr. NORRIS. I shall be glad to have that included in my request.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is ordered as requested.

Mr. NORRIS. I ask that the joint resolution may go to the calendar.

The PRESIDENT pro tempore. The joint resolution will be placed on the calendar.

Mr. MOSES. Mr. President, there seems to be so very much interest in the matter of all the reports bearing upon the question, I ask unanimous consent that all the reports, when they are presented, may be printed together as a Senate document.

Mr. ROBINSON. I think that is a good suggestion. It will avoid confusion.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CLAIMS AGAINST GERMANY.

Mr. UNDERWOOD. Mr. President, it may be recalled that during the war I introduced an amendment to the trading with the enemy act which allowed the Alien Property Custodian to sell the property taken from the German enemy.

The treaty of Versailles, as well as the separate treaty of peace, contemplated that the German property in our hands should be used as a pledge to secure the settlement of American claims against Germany. It has been nearly three years since President Wilson brought the Versailles treaty back to the United States and more than a year has elapsed since the separate treaty of peace with Germany was declared. So far as I know, no step has been taken by this Government to protect American claimants and to provide for the liquidation of their claims.

We hear a great deal about the just rights of the German claimants to the funds in the hands of the Alien Property Custodian, and various bills have been introduced to return the property to them; and I think it about time that something was done to reimburse the American citizens for their just and proper claims against the German Government. At the rate at which the claims have been allowed against the funds in the hands of the Alien Property Custodian, it is doubtful if there will be enough property left to secure American claims unless prompt action is taken.

I therefore ask unanimous consent at this time to introduce a bill to amend an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended, so that the American claimants may have a tribunal in which to present their claims; and I shall insist, so far as I am able to do so, that the bill shall have early consideration.

Mr. ROBINSON. Mr. President, of course I have no objection to the request of the Senator from Alabama. Will the Senator from Alabama state whether any arrangement has so far been made for the adjustment of claims of American citizens growing out of the sinking of the *Lusitania*?

Mr. UNDERWOOD. That is included in the bill which I introduce. Nothing has been done up to this time.

Mr. ROBINSON. Nothing whatever?

Mr. UNDERWOOD. No; but this will give an opportunity to the families and representatives of those who were murdered in the sinking of the *Lusitania* to present their claims.

Mr. ROBINSON. What is the reason, if the Senator knows, why the delay has occurred? Why has no action been taken to adjust those claims?

Mr. UNDERWOOD. I can not give the Senator any reason, because I do not know of any. It was contemplated and expressly stated in the treaty of Versailles that the property in the hands of the Alien Property Custodian should be held in trust by the United States Government to secure the payment of those claims. The provisions of the treaty of Versailles in reference to these claims and this property were made a part of the separate treaty of peace with Germany.

As I stated a moment ago, more than a year has passed since that time and no effort, so far as I know, has been made to give the American claimants an opportunity to state their cases and prove their claims. I did not act in the matter before, because I felt that it was a subject which primarily rested in the hands of the party in power, but as no one has taken any action, I feel that I should not wait longer. Therefore I have presented the bill which I have asked unanimous consent to be allowed to introduce at this time and to have it referred to the Committee on the Judiciary in order that some action may be taken in the matter.

Mr. ROBINSON. I am very glad the Senator has moved in the matter. The delay which has already occurred is incomprehensible to me, and I wish some one would explain why no action has been taken to adjust these claims. The conditions under which the claims arose are of such a nature that the claims can not be disputed, and it becomes a mere matter of adjustment. Why, I inquire of other Senators, has no action been taken?

Mr. POMERENE. Mr. President, I think I can give the Senator a little information on the subject.

Mr. ROBINSON. I shall be very glad to have it.

Mr. POMERENE. I may say that I have felt about it just as both the Senator from Alabama and the Senator from Arkansas have expressed themselves. Some of the claimants live in my own State. I have had a number of conferences with the attorneys representing those claimants as well as other claimants, and I think I may state without any impropriety we have had the matter up with the State Department. I know there was some delay, perhaps due to the fact that the ambassador from this country to Germany had not been earlier appointed. The matter is being considered by the State Department. I think that negotiations are going on now between the Governments looking to some plan with respect to a settlement of the claims.

Mr. ROBINSON. In this connection I will say I have not understood nor do I understand now that adjustment of the claims is dependent upon diplomatic procedure alone or upon the appointment of diplomatic representatives between the two Governments. As stated by the Senator from Alabama, the Versailles treaty contemplated some settlement of these claims.

Mr. UNDERWOOD. If the Senator will allow me, the question has really passed beyond the domain of international consideration, because Germany has made a treaty recognizing the disposition of this property. If Senators will examine the testimony of Mr. Bradley Palmer before the Committee on Foreign Relations of the Senate, when the Versailles treaty was before that committee, they will see that his testimony bears out my statement. Mr. Palmer, by the way, is one of the ablest lawyers in Boston. He represented the Alien Property Custodian at Paris when the Versailles treaty was written. He is largely responsible for the clauses in the Versailles treaty which relate to this question.

Mr. Palmer stated, without contradiction, when that treaty was before the Senate Committee on Foreign Relations, that the Germans had surrendered their right of disposition and determination of these matters to the Congress of the United States, and that it was the duty of the Congress to determine what disposition should be made in reference to them. It is no longer a question, in other words, for diplomatic negotiation. If the State Department seek to invade this question by further diplomatic correspondence, they will be going in the teeth of their own treaty, which has already, under a contract with Germany, relegated this matter to the absolute control of the Congress of the United States. The Congress of the United States, if it allows the matter to proceed in that way, will be avoiding its plain duty to American citizens and passing the right to determine this question to somebody else when it has now, as a matter of treaty right, been put finally in the hands of Congress.

Mr. OVERMAN. Mr. President, may I inquire what effect this will have on the provision of the treaty of Versailles, we not having entered into that treaty? It has been contended here on the floor—

Mr. UNDERWOOD. The Senator evidently did not understand me. I said the treaty of Versailles provided for it, and then when we made a separate treaty of peace with Germany there were certain articles in the treaty of Versailles which were continued and referred to and accepted by Germany.

Mr. ROBINSON. And that relating to claims was one of them.

Mr. UNDERWOOD. It was one of them.

Mr. ROBINSON. It was one of the primary benefits which would accrue to the Government of the United States and its citizens as presented by the advocates of the treaty which we finally agreed to with the German Government.

Mr. UNDERWOOD. It was one of the reasons why I voted for the ratification of the German treaty.

Mr. OVERMAN. That was my understanding also, but the Senator will remember that it has been contended on the floor of the Senate that the property was seized from certain nationals of Germany and that we really had no right to give away the property seized from their nationals, because under a former treaty it should be held in trust for their nationals rather than for the German Government.

Mr. UNDERWOOD. I will state to the Senator, in the first place, that only governments have a right to speak for their nationals, and governments from time immemorial have always spoken for their nationals and committed their nationals. But that is not an open question. The question has been taken to the Supreme Court as to whether the trading with the enemy act and the amendment I proposed to it were in violation of the former treaty with Prussia, and the Supreme Court of the United States held that the Prussian treaty did not apply in this case, that it only related to merchants residing in the United States, that the property of merchants residing in the United States was not touched, and that it did not relate to nationals in the enemy country.

Mr. POMERENE. If the Senator will allow me, I think in a general way he has stated the position accurately, but this question arose: It might be a question between this Government and Germany, to use figures only by way of illustration, as to whether the German Government owed \$1,000,000 or \$100,000,000. That has to be determined in some way.

Mr. UNDERWOOD. Undoubtedly.

Mr. POMERENE. It will probably be determined by a commission. I intended to say, though perhaps I did not make myself clear, that those are the questions engaging the attention of the State Department.

Mr. UNDERWOOD. Undoubtedly; but under the treaties it is left to the Congress to provide the tribunal in which to determine the question of the amount involved. It is not left to future diplomatic arrangements. Those have already been settled. Therefore I say the Congress is derelict in its duty to the representatives of those American citizens who lost their lives and property by the violent conduct of our late German enemies unless we take some action immediately providing a tribunal in which the cases arising out of those losses may be heard.

I ask that the bill which I have introduced may be referred to the Committee on the Judiciary.

The PRESIDENT pro tempore. Is there objection to the introduction of the bill at this time? The Chair hears none. The bill will be received and referred.

The bill (S. 3852) to amend an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended, was read twice by its title and referred to the Committee on the Judiciary.

Mr. UNDERWOOD. Mr. President, I wish to present another request. I have prepared, because of the importance of the bill, a statement for the press analyzing the bill. I ask unanimous consent that I may have printed in the Record in 8-point type, in connection with my remarks, the statement to which I refer.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement referred to is as follows:

STATEMENT FOR THE PRESS.

"Senator UNDERWOOD, of Alabama, to-day introduced the first bill to provide for the payment of American claims against Germany. It is a comprehensive measure which makes disposition of all the German property in this country taken over by the Alien Property Custodian and the proceeds of the sales of such property. American claims are to be adjudicated by a commission and, unless they are otherwise satisfied, paid out of the German property in accordance with the provisions of the Versailles treaty and the separate treaty of peace between the United States and Germany. Senator UNDERWOOD's bill provides for a commission to be known as the enemy property claims commission, to be composed of six commissioners to be appointed by the President by and with the advice and consent of the Senate. It will sit in Washington, have practically all the powers of a United States court to settle and determine all claims made by the Government of the United States and by American citizens against Germany, growing out of the destruction of life or property or otherwise before and after we entered the war, which were secured by the treaties mentioned, and all claims of German subjects for the return of property taken over by the Alien Property Custodian. The German property in the hands of the United States is to be classified and American claims paid out of the several classes of property in their order, each class to be exhausted before the funds of another class are touched. Under this plan the property of the German Government itself will be first used to pay American claims and only when that is exhausted will the property of German subjects be used to satisfy American claims. Claims of American citizens against Germany have been filed with the State Department to the amount of nearly \$1,000,000,000. Some of these claims may be exaggerated, but

it is believed that just and proper claims amount to at least \$400,000,000.

"The bill provides for the filing of claims as follows:

"SEC. 29. (a) The following shall be deemed claimants of the first class hereunder:

"(1) Any citizen of the United States who has suffered damage growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and prior to April 6, 1917, or by the Austro-Hungarian Government or by any Austrian or Hungarian authorities since July 28, 1914, and prior to December 7, 1917;

"(2) Any civilian citizen of the United States who suffered damages by injury or who, as surviving dependent, suffered damages by personal injury to or death of civilians, caused by acts of war, including bombardments or other attacks on land, on sea, or from the air, and all direct consequences thereof, and of all operations of war by the two groups of belligerents wherever arising;

"(3) Any civilian citizen of the United States who suffered damage caused by Germany or her allies as a victim of acts of cruelty, violence, or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, internment, or evacuation, of exposure at sea, or being forced to labor), wherever arising, or who, as surviving dependent of any such civilian victim, suffered damage;

"(4) Any civilian citizen of the United States who suffered damage caused by Germany or her allies in their own territory, or in occupied or invaded territory, as a victim of all acts injurious to health or capacity to work, or to honor, or who, as a surviving dependent of any such civilian victim, suffered damage;

"(5) Any citizen of the United States or any person serving in the military, naval, or air forces thereof who suffered damage caused by any kind of maltreatment by Germany or her allies as prisoners of war; and

"(6) Any civilian citizen of the United States who suffered damage caused by being forced by Germany or her allies to labor without just remuneration:

"(b) The following shall be deemed claimants of the second class:

"(1) Any citizen of the United States who suffered damage or injury inflicted on his property rights or interests, including any company or association in which he may be interested, in German territory as it existed August 1, 1914, or in the territory of the former Austro-Hungarian Empire by the application by such nations of either of the exceptional war measures or measures of transfer mentioned in paragraphs 1 and 3 of the annexes to section 4, entitled 'Property rights and interests,' of the treaties of Versailles, Trianon, and St. Germain-en-Laye, respectively;

"(2) Any citizen of the United States who has suffered damage in respect of all property, wherever situated, belonging to him, with the exception of naval and military works or materials, which has been carried off, seized, injured, or destroyed by the acts of Germany or her allies on land, on sea, or from the air, or damage directly in consequence of hostilities or of any operations of war; and

"(3) Any citizen of the United States who has suffered through the acts of the Imperial German Government or its agents or the Imperial and Royal Austro-Hungarian Government or its agents since July 31, 1914, loss, damage, or injury to his person or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities, or of any operations of war, or otherwise, not hereinbefore enumerated.

"(c) The following shall be deemed claimants of the third class:

"(1) The Government of the United States, representing the people thereof, for damage caused to the people thereof, for all its pensions or compensation in the nature of pensions to its naval or military victims of war—including members of its air force—whether mutilated, wounded, sick, or invalided, and to the dependents of such victims, the amount due being calculated for each of them as being the capitalized cost of such pensions and compensation on the basis of the scales in force in France as to Germany at the date of November 11, 1921, and as to Austria and Hungary at the date of May 1, 1919;

"(2) The Government of the United States for the cost of assistance by such Government to prisoners of war and to their families and dependents;

"(3) The Government of the United States for allowances by such Government to the families and dependents of mobilized persons or persons serving with its forces, the amount due to them for each calendar year in which hostilities occurred being

calculated for the Government on the basis of the average scale for such payments in force in France during that year;

"(4) The Government of the United States for damage in respect of property wherever situated belonging to it, with the exception of naval and military works or materials which has been carried off, seized, injured, or destroyed by the acts of Germany or her allies on land, on sea, or from the air, or damage directly in consequence of hostilities or of any operations of war; and

"(5) The representatives of any civilian population of the United States which suffered damage in the form of levies, fines, and other similar exactions imposed upon them by Germany or her allies."

Mr. LODGE. Mr. President, unfortunately I was not present when the Senator from Alabama introduced his bill, and I should like to ask him just what the purpose of the bill is. As I understand, it relates to the claims of American citizens against the German Government.

Mr. UNDERWOOD. The bill proposes to authorize the President to appoint a commission, and gives them the usual authority vested in such commissions, following to a large extent the powers which were given to the Spanish Claims Commission, with which the Senator from Massachusetts is familiar. The bill also provides that the commission shall have two years in which to hear these claims and determine the amounts and values thereof, and that the time of two years may be extended for six months at a time if the President finds it desirable to extend the time. A distinct limitation is placed upon the powers of the commission; but it is given the right to make a final adjudication of all these claims unless the commission certifies the question as being a matter of so much importance that it should be decided by the Supreme Court, and then it may be decided by the Supreme Court.

Mr. LODGE. Does the Senator's bill provide for a wholly American commission?

Mr. UNDERWOOD. It would be entirely an American commission, because the claims of which it would have jurisdiction would be American claims.

As the Senator from Massachusetts will recall, Mr. Bradley Palmer stated before the Committee on Foreign Relations that under the terms of the Versailles treaty Germany had consented that this whole matter should be submitted to the determination of the Congress of the United States, and those clauses of the Versailles treaty were ratified in the separate treaty of peace with Germany, for which the Senator from Massachusetts and I both voted.

The matter, therefore, is within the power of Congress. Purely American claims are involved. The German Government, committing its nationals, has consented that Congress shall determine the matter. In introducing the bill of course I recognize that Congress must determine what action it will take. The bill only expresses my view as to the lines on which the question should be determined; but more than a year has passed by since our treaty of peace with Germany was signed, and I think the time has come when Congress should act. As the Senator from Massachusetts remembers, Mr. Palmer, who is one of the ablest lawyers in his State, and represented our Government at Paris in this matter, stated without contradiction before the Committee on Foreign Relations that the determination of this question rested in the Congress of the United States.

Mr. LODGE. I have no question of the power of Congress to deal with any question connected with those claims, but I had supposed that the matter could be settled by an agreement with Germany under the treaty of peace.

Mr. UNDERWOOD. It could not be settled with Germany without our making another treaty, because the present treaty is the law of the land, and that treaty contemplates that this question shall be determined by Congress, although, of course, the President could negotiate another treaty with Germany, wiping out the terms of the existing treaty and establishing new treaty rights.

So far as I am concerned, I have no bitterness against our late German enemies, I have no feeling of that kind, but it would be far from my disposition to see the heirs of the people who were murdered in the sinking of the *Lusitania* go before a mixed tribunal to determine whether or not they had a legal claim against the German Government or its nationals.

Mr. LODGE. I myself should never assent to that. It is only a question, as I understand, of settling amounts; and the Senator's idea is that that can be done by our own commission.

Mr. UNDERWOOD. Unquestionably. I do not rest this contention on my own statement, but, as I stated, Mr. Palmer, a Republican, not a Democrat, an able lawyer in the Senator's own State, whom he knows well—

Mr. LODGE. I know him.

Mr. UNDERWOOD. Who represented our Government in connection with all of this property at Versailles and wrote the article in reference to this matter in the treaty of Versailles—

Mr. LODGE. Yes; I remember his examination before the committee very well.

Mr. UNDERWOOD. Stated, without contradiction before the Senator's committee, that this was now a question for the determination of the Congress and not for the determination of anybody else.

Mr. LODGE. The Senator's plan is that we should have a commission to determine the claims and present them as Government claims?

Mr. UNDERWOOD. The bill provides for a commission to determine our rights in the matter, to fix the amount of the claims, decide whether they are equitable and lawful, and to certify them. Then it gives the German Government an opportunity to pay them if it will; and if the German Government then refuses to pay them, the bill proposes to make the property which is now in our hands, which has been taken by the Alien Property Custodian, subject to the payment of the claims.

Mr. LODGE. I have no objection to the bill. I merely wished to understand it.

Mr. BORAH. Mr. President, do I understand that the bill introduced by the Senator from Alabama contemplates, in case the German Government does not pay these claims, that we may confiscate the individual property of German nationals which has been seized by us and devote its proceeds to their payment?

Mr. UNDERWOOD. We confiscated that property in March, 1918, when we adopted the amendment which I proposed to the trading with the enemy act by the vote of every Senator who was then present, except one, and by a unanimous vote of the House of Representatives; but the question of confiscation no longer exists, because, under the treaties which have already been made, the German Government, speaking for itself and its nationals, has conceded that this property may be used to pay these claims if the German Government does not pay them.

Mr. BORAH. But what the German Government concedes and what we are in honor bound to do, and as a matter of wise policy should do, are two entirely different propositions.

Mr. UNDERWOOD. Of course, I agree with the Senator in his main statement, but not in his inference, because I think that if Congress is in honor bound to do anything, it is in honor bound to protect the rights of American citizens who had their property and their lives ruthlessly destroyed by an enemy Government. For us to say that we owe anything to the people who at that time, in March, 1918, were dropping bombs on London from airplanes, destroying private property, murdering innocent citizens, and who from a distance of 75 miles were firing cannon upon Paris, not for military purposes but for the purpose of terrorizing innocent citizens in the heart of Paris—to say that the Congress of the United States is in honor bound to protect the rights of the citizens of that Government rather than the rights of American citizens is not at all in accord with my viewpoint on the subject.

Mr. BORAH. Mr. President, I do not disagree with the Senator from Alabama at all that Congress is in honor bound to protect the rights of American citizens; but it is in honor bound to protect them in an honorable way, and, in my judgment, it would not be an honorable way to protect them by confiscating, because of the depredations of the Government of their country, the individual property of those Germans who invested in this country.

Mr. UNDERWOOD. I want to state to the Senator that there is no man on the floor of the Senate for whose opinions and independence of judgment on the great questions that come before the Senate I have more respect than I have for those of the Senator from Idaho, but I differ absolutely with him on this question. The old principle of international law that an invading army should respect the property of the citizens of the country in which the army advanced was right in its day and time, but to-day peoples make war against other peoples. Germany could not have sustained herself for a year if the people of Germany had not been behind the German Government. They depredated the property and destroyed the lives of innocent people, including our own nationals and those of our allies, miles behind the lines, where there was no military operation proceeding. They even went to the extent when Hindenburg made his retreat of destroying the forests of the French peasants. To say, since we took this property, as we did, as an act of war, that we are under any obligation to return it to those people who destroyed our people and our allies—

property, it seems to me goes a long way beyond the ethics of the case.

Mr. BORAH. Mr. President, the doctrine for which I contend is one which we have been advocating ever since we have been a Government. We have been pioneers in presenting and insisting upon that doctrine. We have written it in treaties, we have written it in the decisions of our courts, and we have succeeded in writing it into international law. I do not think that we are in a position to controvert the proposition at this time. We can protect our citizens in their rights without destroying the doctrine for which we have been contending for a hundred years, a doctrine sound in justice and wise as a matter of expediency.

Mr. UNDERWOOD. The Senator is right, of course, that in the early days we did contend for it, and that doctrine was embodied in international law, but when the great World War broke out, when war was made under sea and in the air against citizens and not against armies, that principle of international law was relegated to the rear, and the Congress itself abandoned it when it voted for the amendment which I offered on this floor in March, 1918, to confiscate this enemy property. I do not know whether or not the Senator was present in the Senate when the vote was taken, but if he was he voted for the amendment, because there was but one vote in the Senate cast against it on a roll call, and that was not the vote of the Senator from Idaho.

Mr. BORAH. Mr. President—

Mr. WALSH of Montana. Mr. President, the statement made by the Senator—

The PRESIDENT pro tempore. Does the Senator from Alabama yield; and if so, to whom?

Mr. UNDERWOOD. I was discussing the question with the Senator from Idaho, and I will yield first to him, if the Senator from Montana will pardon me.

Mr. BORAH. I was only going to say that I do not remember the vote on the particular amendment to which the Senator has reference, but I do know the construction which was placed upon that act in the debate in the House and in the Senate and in the report of the Senate committee, and it was not that of confiscation at all, and we so understood it.

Mr. UNDERWOOD. If the Senator will allow me, when the amendment was presented in the Senate I made a short statement on the floor, and I said then that I regarded the act of taking and selling this property as a war act and one of the strongest blows that we could aim against Germany and its nationals to affect their morale behind the lines, and I believe it was. So there is no question about the position which I took.

Mr. BORAH. I am satisfied that there is no doubt as to the position which the Senator occupied or as to his individual views, but I think, if the Senator will recur to the debate and the report of the committee, he will have no trouble in arriving at the conclusion that there were quite a number of Senators who entertained an entirely different view as to the effect and purpose of that act.

Mr. UNDERWOOD. Where the Senator is making the mistake is in his recollection. The trading with the enemy act was passed in 1917, if I recollect aright. That act was reported from the Judiciary Committee and there was considerable debate on it, and under it the Alien Property Custodian was directed to take this property and to hold it in trust for the German owners. That is the debate the Senator is thinking about; but in March, 1918, I proposed an amendment which wiped out that idea entirely. I proposed the amendment as an act of war.

Mr. OVERMAN. Mr. President, was not that amendment put on a deficiency appropriation bill?

Mr. UNDERWOOD. It was put on an appropriation bill, but it came up on the floor of the Senate and was not reported from a committee. The only report that was made was the speech which I made on the subject. There was very little debate on it, but it was clearly stated when I presented it that it was a reprisal against the German Government and its nationals as an act of war.

Mr. BRANDEGEE. Mr. President, was it a confiscatory amendment?

Mr. UNDERWOOD. Yes; it took this property and authorized its sale.

Mr. BRANDEGEE. Instead of the trusteeship provided for in the original act?

Mr. UNDERWOOD. Yes; it wiped out the idea of a trusteeship.

Mr. WALSH of Montana. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Montana?

Mr. UNDERWOOD. I yield.

Mr. WALSH of Montana. I rose because I find myself in entire disagreement with the Senator from Alabama with respect to the purpose and effect of the act to which he refers. I shall regard it as most extraordinary if the Senate or the Congress of the United States shall let it be understood that we have already resolved to confiscate and have confiscated this property. The fact about the matter, as has been indicated, is that the act originally provided that the Alien Property Custodian should possess himself of these German interests and hold them in trust subject to further direction of Congress. He was authorized in the original act to sell and dispose of property that was perishable in character; but the avails of the property thus disposed of became trust funds in his hands in exactly the same manner as the property originally was, subject to the disposition of Congress.

In the spring of 1918 the amendment referred to by the Senator from Alabama was enacted by Congress. That, if I have any just conception whatever of its provisions, was not a confiscatory statute at all. It simply extended the powers of the Alien Property Custodian with reference to the sale and disposition of the property. He originally was restricted in his powers of sale to property that was perishable in character, and only such as was perishable in character. It was conceived that it would be unwise to allow the great industrial plants which had been built up in this country by German capital to go back into German hands after the war was over; and Congress resolved to put that property in such shape as that those particular industrial properties should not go back into German hands, and they authorized the Alien Property Custodian to dispose of those properties, and he now holds the avails of those properties, cash instead of factories and lands and stocks and that sort of thing. The Alien Property Custodian holds that cash, subject to such disposition as the Congress may at any time see fit to make with respect to it; and when the time comes there are some of us, I am sure, who will desire to be heard upon the propriety—indeed, Mr. President, the wisdom—of appropriating this property to the satisfaction of just claims of our citizens, not against the owners of this property but against the German Government.

Mr. BRANDEGEE. Mr. President—

Mr. WALSH of Montana. If the Senator will pardon me, I merely desire to add that it becomes a matter of more significance, of more importance, of more deep-seated importance, to the people of the United States at this time than perhaps at any other time in our history. Capital is going from our country into investments in all the countries of the world in quantities that were never thought of before in our history. Shall we now recede from the position we took, and, in the event of our unfortunately getting entangled in war with some of these countries into which American capital is now going, shall we give them a precedent for the confiscation of that property, or shall we adhere to the time-honored principle that has characterized our foreign relations upon this subject up to the present time?

Mr. BRANDEGEE. Mr. President, will the Senator permit an interruption in that connection?

The PRESIDENT pro tempore. Does the Senator from Alabama yield; and if so, to whom?

Mr. UNDERWOOD. I yield for a question. I desire to answer what the Senator from Montana has said.

Mr. BRANDEGEE. Yes; I do not want to answer him. I just want to ask him a question in connection with what he has just said, and it is this: No matter what the previous Congresses may have had in mind about the taking of this property and as to its ultimate disposition, no matter whether it has been converted into cash or not, no matter whether at one time they may have considered that they were confiscating it and at another time perhaps that they were holding it as trustee, the final act of Congress in relation to it was that it should be held subject to the future disposition of Congress, was it not? So that to-day the whole question is before us to decide what the policy of Congress shall be with relation to this property.

Mr. UNDERWOOD. I will answer the Senator's question from the standpoint of this bill. He is clearly right in his contention that the Congress has the power of disposition and can return this property to its German owners if it desires to do so. I favor the American citizen and not the German citizen, but it is clearly within the power of Congress; and I have had the bill referred to a committee of which the distinguished Senator from Montana and the distinguished Senator from Connecticut are both honored members—the Judiciary Committee—where they will have full and free opportunity to consider it.

I think, however, that the Senator is wrong in his viewpoint as to what the condition is now. If he desires to say that we shall return this property, and he can command the votes of a majority of the Congress in favor of giving it back to the German nationals, I concede that the Congress can do so. It can give away anything, as it gave \$20,000,000 to Russia a short time ago; but the Senator, I think, has in mind in making his statement the viewpoint of the trading with the enemy act as originally reported from the Judiciary Committee. If, however, he will refer to what I said when I reported the amendment to authorize the taking of all of this property and selling it, except the patents, he will see that I stated that it contemplated an act of war. That is a very different proposition from holding the property as trustee; but I want to say to the Senator in addition to that, not for the purpose of controverting his viewpoint but to call attention to the fact that when I originally proposed the amendment—which was adopted by the vote of every Senator in this Chamber who voted, except one—authorizing the Alien Property Custodian to take this property and sell it and put the money in the Treasury of the United States and afterwards invest it in Liberty bonds, inadvertently I left out of my amendment the power to sell the patents. I never entered my mind that the patents did not constitute a destructible property. It was not a property that had to be taken care of. There was no occasion for selling the patents, except to take them away from their German owners. Subsequently to the time when I offered my amendment—I do not remember who it came from—some one offered a proposal here, either a bill or amendment, and the Congress passed it, authorizing the President of the United States to take over and confiscate the patents.

As to the question to which the Senator refers about our making investments the world over, that is a question that the great merchants may consider. I look at these questions from a standpoint of lasting peace; and I believe to-day that if the German junkers—I am not referring to the plain people of Germany, but I am talking of the millionaires who sat behind the Emperor and gave him the pecuniary power to pursue the ruthless war that cost us thousands of lives and billions of dollars—if the ruthless junker class of Germany had known when they started into this war that under international law their individual property was subject to confiscation, they would have hesitated on the brink. I believe to-day that the best bond that can be given by the great nations of the world to maintain peace is to abandon the idea that the great wealth of the world shall be protected in time of war, and let the man know who puts up the dollars to fight wars that if he goes to war his own dollars are subject to confiscation as well as the lives of his neighbors' sons.

Mr. WALSH of Montana. Mr. President, there are no doubt two sides to that question, and in due time we will consider both of them; but for the present I have before me the act of March 28, 1918, and I think there can be no doubt whatever, from the reading of the language of the law, what the purpose of the Congress in the matter was.

Mr. UNDERWOOD. The Senator must read the language of the law in connection with the remarks I made when I presented the amendment to the Senate.

Mr. WALSH of Montana. Yes; but unfortunately, as the Senator knows, there is a rule which forbids us from paying very much attention to debates in construing statutes.

Mr. UNDERWOOD. The debates may not be admissible in construing statutes, but when you come down to the legal point we have passed that. That is no longer an issue. The German Government has made a treaty authorizing us to take this property and pay our nationals with it. It is a treaty right existing between the two Governments. If you put it on the strict legal basis, the meaning of the language, whether we confiscated it or not is not of importance, because they have signed the treaty of Berlin, which has been ratified by both Governments, and they have consented that we may take this property to pay our own nationals.

Mr. WALSH of Montana. I am simply concerned in the question as to whether or not we have actually confiscated this property. This was the statute:

The fourth paragraph of section 12 of the "trading with the enemy act," approved October 6, 1917, is amended to read as follows:

"The Alien Property Custodian shall be vested with all of the powers of a common-law trustee in respect of all property, other than money, which has been or shall be, or which has been or shall be required to be, conveyed, transferred, assigned, delivered, or paid over to him in pursuance of the provisions of this act, and, in addition thereto, acting under the supervision and direction of the President, and under such rules and regulations as the President shall prescribe, shall have power to manage such property and do any act or things in respect thereof or make any disposition thereof or of any part thereof, by sale or otherwise, and exercise any rights or powers which may be

or become appurtenant thereto or to the ownership thereof in like manner as though he were the absolute owner thereof: *Provided*, That any property sold under this act, except when sold to the United States, shall be sold only to American citizens, at public sale to the highest bidder, after public advertisement of time and place of sale, which shall be where the property or a major portion thereof is situated, unless the President, stating the reasons therefor, in the public interest shall otherwise determine: *Provided further*, That when sold at public sale, the Alien Property Custodian upon the order of the President stating the reasons therefor, shall have the right to reject all bids and resell such property at public sale or otherwise as the President may direct. Any person purchasing property from the Alien Property Custodian for an undisclosed principal, or for resale to a person not a citizen of the United States, or for the benefit of a person not a citizen of the United States, shall be guilty of a misdemeanor, and, upon conviction, shall be subject to a fine of not more than \$10,000, or imprisonment for not more than 10 years, or both, and the property shall be forfeited to the United States. It shall be the duty of every corporation incorporated within the United States and every unincorporated association, or company, or trustee, or trustees within the United States issuing shares or certificates representing beneficial interests to transfer such shares or certificates upon its, his, or their books into the name of the Alien Property Custodian upon demand, accompanied by the presentation of the certificates which represent such shares or beneficial interests. The Alien Property Custodian shall forthwith deposit in the Treasury of the United States, as hereinbefore provided, the proceeds of any such property or rights so sold by him."

So he continues the common-law trustee of the avails, just as he was of the original property.

Mr. BRANDEGEE. Has the Senator from Alabama asked to have printed in the RECORD the bill which has just been introduced by him?

Mr. UNDERWOOD. I asked to have a synopsis of the bill printed in the RECORD, and I have no objection to having the bill printed in the RECORD.

Mr. BRANDEGEE. I would like to have it printed in the RECORD, so that everybody interested may know what it is.

Mr. UNDERWOOD. I ask that it may be printed in the RECORD in 8-point type.

There being no objection, the bill was ordered to be printed in the RECORD in 8-point type, as follows:

A bill (S. 3852) to amend an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended.

Be it enacted, etc., That an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended, be, and hereby is, amended by adding thereto the following sections:

"SEC. 20. (a) A commission is hereby created and established, to be known as the enemy property claims commission, hereinafter referred to as the commission, which shall be composed of six commissioners, all of whom shall be learned in the law, who shall be appointed by the President, by and with the advice and consent of the Senate. No more than three of the commissioners shall be appointed from the same political party. One of said commissioners shall be designated by the terms of his appointment to be the president of the commission.

"(b) The President of the United States, by and with the advice and consent of the Senate, shall fill all vacancies which may occur in said commission.

"(c) Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

"(d) Each of the members of the commission, the Assistant Attorney General, the attorneys, and the clerk provided herein shall be citizens of the United States, and shall take the oath of office prescribed by law to be taken by officers of the United States.

"(e) The commission shall have a seal with such device as it may order.

"(f) The commission may sit as a whole or in two divisions, each composed of three members of the commission. The commission may divide and assign its business to such divisions of the commission, reserving for the consideration of the entire commission such matters as it may deem advisable. Two of the commissioners constituting such a division of the commission shall constitute a quorum for the transaction of business assigned to such division, and the agreement of two such commissioners shall be necessary to decide any question arising before such division of the commission. Four members of the entire commission shall constitute a quorum for the transaction of business, and the agreement of four such commissioners shall be necessary to decide any question arising before said entire commission.

"SEC. 21. (a) The said commission shall, within 30 days after the appointment of the members thereof, meet, and it shall thereafter hold its sessions in the city of Washington, D. C.

"(b) The said commission shall proceed immediately after its first meeting, with all convenient dispatch, to arrange and docket the several claims admissible hereunder, and to consider the evidence which shall have been or which may be offered by

the respective claimants, and in opposition thereto, allowing such further time for the production of such further evidence as may be required and as it shall think reasonable and just; and shall thereupon proceed to determine and award upon each of the said claims according to the provisions hereof.

"(c) The said commission is hereby authorized to publish notice of its sessions and to make all needful rules and regulations, not contravening the laws of the United States, for regulating the forms and mode of procedure before the said commission, and to carry into full and complete effect the provisions hereof. Such rules and mode of procedure made with regard to claims filed under section 29 herein shall conform, so far as practicable, to the mode of procedure and practice of the district courts of the United States. The said commission is hereby vested with the same powers now possessed by the district courts of the United States to compel the attendance and testimony of parties, claimants, and witnesses, to preserve order, and to punish for contempt, and to compel the production of any books or papers deemed material to the consideration of any claim or matter pending before the said commission.

"(d) The said commission is also vested with all the powers now possessed by the district courts of the United States to take or procure testimony in foreign countries. Such testimony may be taken, pursuant to the provisions of existing laws and the rules of practice of the district courts of the United States, so far as applicable, before the commission or any commissioner or commissioners appointed to take testimony hereunder.

"(e) The marshal of the United States for the District of Columbia, or his deputies, shall serve, within said District, all process issued by said commission, preserve order in the place of sitting, and execute the orders of said commission; and outside the District of Columbia the process of said commission shall be served by the United States marshals, or their deputies, in their respective districts: *Provided, however*, That the said commission or any commissioner appointed by it to take testimony in the United States or foreign countries is hereby authorized to appoint an officer to serve any process issued by said commission or commissioner.

"(f) When testimony is to be taken before the commission or any commissioner appointed to take testimony within any District, Territory, or insular possession, the clerk of any court of the United States for such District or Territory or the clerk of any local judicial tribunal for such insular possession shall, on application of the commission or commissioner appointed to take testimony, or of any party to the proceeding, or his attorney, issue a subpoena for such witness, commanding him to appear and testify before the commission or commissioner at a time and place stated in the subpoena; and if any witness, after being duly served with such subpoena, refuses or neglects to appear, or after appearing refuses to testify, not being privileged from giving testimony, and such refusal or neglect is proved to the satisfaction of any judge of the court whose clerk issues the subpoena, such judge may proceed to enforce obedience to the process or punish the disobedience as any court of the United States or such insular possession may proceed in case of disobedience to process of subpoena to testify issued by such court; and the production before such commission or commissioner of any paper or writing, written instrument, book, or other document may also be required in the manner prescribed in section 869 of the Revised Statutes of the United States.

"(g) Each of the said commissioners and the clerk and each of the commissioners to take testimony shall have authority to administer oaths and affirmations and to take the depositions of claimants, parties, and witnesses in all matters pending before or to be presented before the commission; and if any person shall knowingly and willfully swear or affirm falsely in such examination or deposition to any matter or fact touching which such person is examined, or if any person, whether claimant or witness, shall so swear or affirm falsely to the contents of any memorial, petition, affidavit, deposition, or other paper containing any matter or fact pertaining to any claim or proceeding pending before or to be presented before said commission, or shall, in giving testimony or in swearing or affirming to any deposition, affidavit, or other paper before any officer authorized to administer oaths or to take such testimony, swear or affirm falsely to any matter or fact pertaining to any claim or proceeding pending or to be presented before said commission, every such person so swearing or affirming falsely as aforesaid shall be deemed guilty of perjury just as if such false oath or affirmation had been taken in a judicial proceeding in any of the courts of the United States or in any local judicial tribunal of any insular possession, and shall be liable to indictment and trial in the district court of the United

States for the district in which such perjury shall have been committed, or in the proper courts of the United States for the Territory or District of Columbia, or in proper courts of the insular possession in which such perjury shall have been committed, and shall upon conviction suffer such punishment as is provided by the laws of the United States or of the insular possession for that offense. No person shall be excluded as a witness before the commission because such person is a party to or interested in the claim or proceeding; and any claimant or party in interest may be examined as a witness on the part of the Government.

"(h) All claims filed hereunder shall be filed with the clerk of the commission, and the prosecution of the claim shall be deemed to have commenced at the date of such filing.

"SEC. 22. (a) The commission shall appoint and fix the compensation of a clerk, and may also appoint and fix the compensation of one or more messengers, stenographers, typists, interpreters, and such other employees as the business of the commission may require; and may also appoint and fix the compensation or fees of one or more commissioners—who are herein designated as commissioners to take testimony—who shall be citizens of the United States, whose duty it shall be to take testimony in the United States or in foreign countries in such cases as may be brought before the said commission, but no compensation shall be paid in excess of that paid for like or similar service in the departments and executive agencies of the United States.

"(b) Each of the said members of the commission shall be paid monthly at the rate of \$7,500 per annum. The Department of State shall provide said commission with all necessary and suitable rooms and offices for holding its sessions and transacting its business. All the expenses, including the salaries and compensation of said commission and of its officers and employees, shall be paid by the Department of State upon vouchers certified by the president of the commission, or by order of the members of the commission in case of his absence or inability to act.

"SEC. 23. It shall be the duty of the commission, and it shall have jurisdiction, to receive, examine, and adjudicate all claims filed as provided herein. It shall adjudicate said claims according to the merits of the several cases, the principles of equity, and of law.

"SEC. 24. (a) The orders, judgments, awards, and decrees of the commission or any division thereof shall be final, unless a new trial or rehearing shall be granted by said commission, and no retrial or rehearing shall be had except upon motion made within 30 days of said order, judgment, award, or decree.

"(b) When the commission is in doubt as to any question of law arising upon the facts in any case before it, it may state the facts and the question of law so arising and certify the same to the Supreme Court of the United States for its decision, and said court shall have jurisdiction to consider and decide the same.

"SEC. 25. (a) The commission, immediately after its award shall have been made and become final, shall transmit a copy thereof, certified by the clerk of the commission and signed by the president of the commission, or by at least two other members of the commission in his absence or inability to act, to the Alien Property Custodian or Treasurer of the United States, or both, as the case may be, which officials, thereafter, as soon as may be, shall dispose of any money or other property in accordance with such award.

"(b) The powers and jurisdiction hereby granted to said commission shall be in force and continue for the period of two years from the date the commission meets for the first time, as provided in section 21 hereof, and for no longer time: *Provided*, That the President may from time to time extend the said period beyond said two years, not exceeding six months in each instance, when in his judgment such extension is necessary to enable the commission to complete its work: *And provided further*, That in case the commission shall have completed its work before the expiration of the said two years or any extension granted by the President, he may dissolve said commission. Immediately after the commission shall have completed its work all the files and records of said commission shall be deposited in the Department of State.

"SEC. 26. (a) The President shall appoint, by and with the advice and consent of the Senate, one additional Assistant Attorney General of the United States, who shall hold his office during the existence of said commission, and the Attorney General of the United States is empowered to employ and fix the compensation of such other attorneys and employees as the duties laid upon his office by the provisions hereof may require. It shall be the duty of said Assistant Attorney General and

attorneys to appear as attorney and counsel for the United States under the direction of the Attorney General and to defend its interests in all claims and proceedings before said commission.

"(b) Service of all notices of claims and petitions filed hereunder shall be made upon the Attorney General at such time and in such manner as may be prescribed by the commission.

"(c) The defense of the United States to any claim shall be made under such rules and regulations as the commission may prescribe: *Provided*, That should the Attorney General fail to so defend any claim the claimant may proceed with the case under such rules as the commission may adopt; but the claimant shall not in such cases have award for his claim, or for any part thereof, unless he shall establish the same by proof satisfactory to the commission.

"SEC. 27. (a) All money or other property or the proceeds of the sale thereof held by the Alien Property Custodian or Treasurer of the United States by virtue of the trading with the enemy act, as amended, the return of which is now authorized by section 9 thereof, shall be, as elsewhere provided herein, returned to the owner thereof or his agent or legal representative.

"(b) Claims made under this section by any person asserting citizenship of the United States by naturalization process shall not be denied on the ground of any presumption of expatriation which may have arisen against him if he has returned to the United States and gives satisfactory evidence of his loyalty to the United States during his absence abroad.

"(c) Claims made under this section and subsections (b) and (c) of section 30 hereof shall be filed with the commission within one year after the date the commission meets for the first time, as provided in section 21 hereof, or shall be forever waived and barred.

"SEC. 28. All money and other property, including the proceeds of the sale thereof, held by the Alien Property Custodian or the Treasurer of the United States by virtue of the trading with the enemy act, as amended, which at the time it was conveyed, assigned, transferred, delivered, or paid over to the Alien Property Custodian, or required so to be, or seized by him, belonged to any person enumerated in this section, shall be returned by the commission to the owner thereof, or to his agent or legal representative, if the payment of claims which may be allowed by the commission to claimants under sections 29 and 30 hereof are otherwise satisfied; otherwise the same shall be first subject to the payment thereof as herein provided. The Alien Property Custodian shall classify all such money and other property in two lists—one covering that belonging to Germany and its nationals, the other covering that belonging to Austria-Hungary and its nationals, as follows:

"Class 1. Money and other property belonging to the Government, or any political or municipal subdivision thereof, or any agent or agency thereof.

"Class 2. (a) All other money and property belonging to any person not enumerated in the foregoing class 1, the return of which is not authorized by section 27 hereof.

"(b) No person enumerated in this section shall file claim for the return of his money or other property until such time as the commission shall announce it will receive such claims: *Provided*, That all such claims shall be filed with the commission within one year after the date of such announcement by the commission or shall be thereafter forever waived and barred.

"SEC. 29. (a) The following shall be deemed claimants of the first class hereunder:

"(1) Any citizen of the United States who has suffered damage growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and prior to April 6, 1917, or by the Austro-Hungarian Government or by any Austrian or Hungarian authorities since July 28, 1914, and prior to December 7, 1917;

"(2) Any civilian citizen of the United States who suffered damages by injury, or who, as surviving dependent, suffered damages by personal injury to or death of civilians, caused by acts of war, including bombardments or other attacks on land, on sea, or from the air, and all direct consequences thereof, and of all operations of war by the two groups of belligerents wherever arising;

"(3) Any civilian citizen of the United States who suffered damage caused by Germany or her allies as a victim of acts of cruelty, violence, or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, internment, or evacuation, of exposure at sea or being forced to labor), wherever arising, or who, as surviving dependent of any such civilian victim, suffered damage;

"(4) Any civilian citizen of the United States who suffered damage caused by Germany or her allies in their own territory, or in occupied or invaded territory, as a victim of all acts injurious to health or capacity to work, or to honor, or who, as a surviving dependent of any such civilian victim, suffered damage;

"(5) Any citizen of the United States or any person serving in the military, naval, or air forces thereof who suffered damage caused by any kind of maltreatment by Germany or her allies of prisoners of war; and

"(6) Any civilian citizen of the United States who suffered damage caused by being forced by Germany or her allies to labor without just remuneration.

"(b) The following shall be deemed claimants of the second class:

"(1) Any citizen of the United States who suffered damage or injury inflicted on his property rights or interests, including any company or association in which he may be interested in German territory as it existed August 1, 1914, or in the territory of the former Austro-Hungarian Empire by the application by such nations of either of the exceptional war measures or measures of transfer mentioned in paragraphs 1 and 3 of the annexes to section 4, entitled 'Property rights and interests,' of the treaties of Versailles, Trianon, and St. Germain-en-Laye, respectively;

"(2) Any citizen of the United States who has suffered damage in respect of all property, wherever situated, belonging to him, with the exception of naval and military works or materials, which has been carried off, seized, injured, or destroyed by the acts of Germany or her allies on land, on sea, or from the air, or damage directly in consequence of hostilities or of any operations of war; and

"(3) Any citizen of the United States who has suffered through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to his person or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise, not hereinbefore enumerated.

"(c) The following shall be deemed claimants of the third class:

"(1) The Government of the United States, representing the people thereof, for damage caused to the people thereof for all its pensions or compensation in the nature of pensions to its naval and military victims of war—including members of its air force—whether mutilated, wounded, sick, or invalided, and to the dependents of such victims, the amount due being calculated for each of them as being the capitalized cost of such pensions and compensation on the basis of the scales in force in France as to Germany at the date of November 11, 1921, and as to Austria and Hungary at the date of May 1, 1919;

"(2) The Government of the United States, for the cost of assistance by such Government to prisoners of war and to their families and dependents;

"(3) The Government of the United States, for allowances by such Government to the families and dependents of mobilized persons or persons serving with its forces, the amount due to them for each calendar year in which hostilities occurred being calculated for the Government on the basis of the average scale for such payments in force in France during that year;

"(4) The Government of the United States, for damage in respect of property wherever situated belonging to it, with the exception of naval and military works or materials, which has been carried off, seized, injured, or destroyed by the acts of Germany or her allies on land, on sea, or from the air, or damage directly in consequence of hostilities or of any operations of war; and

"(5) The representatives of any civilian population of the United States which suffered damage in the form of levies, fines, and other similar exactions imposed upon them by Germany or her allies.

"(d) The award to any claimant under this section shall be only for the amount of the actual damage which said claimant shall prove that he has sustained. Remote or prospective damages shall not be awarded. The awards made to claimants under this section shall include interest at the rate of 6 per cent per annum from the date that the loss, damage, or injury was sustained by the claimant until such date as the award is paid.

"(e) All claims under this section shall be filed with the commission within six months after the date the commission holds its first meeting, or shall be thereafter forever waived and barred: *Provided*, That the commission may, in its discretion,

extend the time for filing said claims for an additional period, not exceeding six months.

"(f) Any claim prosecuted under this section shall be presented by petition containing such allegations and in such form as the commission may require. The petition shall be signed and be verified by the affidavit of the claimant, his attorney, or agent.

"(g) All persons whom the commission may require shall be made parties defendant, and service shall be obtained upon all parties defendant in accordance with the practice in the district courts.

"(h) In case any award is rendered by the commission to claimants under this section, the commission shall, upon motion of the attorney or counsel for the claimant, allow in addition to the amount thereby awarded such counsel and attorney fees to the counsel and attorneys employed by the claimant or claimants, respectively, as the commission shall determine to be just and reasonable as compensation for the services rendered the claimant in prosecuting such claims, which allowance shall be entered as a part of the award in such case and shall be made specifically payable to said attorney or counsel as a part of said award, the payment of which shall be in full compensation to the counsel or attorney for prosecuting such claim; and all other liens upon, or assignments, sales, transfers, either absolute or conditional, for services rendered or to be rendered, about any claim or part or parcel thereof, provided for in this amendment heretofore or hereafter made or done before such award is rendered and payment thereof made shall be absolutely void and of no effect.

"(i) The commission shall order the payment of all claims allowed by it to claimants under this section against the nation concerned, in so far as such awards are otherwise unsatisfied, out of the money and other property enumerated in section 28 hereof which shall have been classified as belonging to it and its nationals: *Provided*, That all the money and other property constituting the first class set forth therein shall be exhausted before that constituting the second class shall be subject to such awards, and in event all money and other property classified as belonging to one of the former enemy nations and its nationals shall be more than sufficient to satisfy all awards against it, the balance shall be held subject to the satisfaction of the awards which may be rendered against the other enemy nation concerned, if such other awards are not otherwise satisfied: *Provided further*, That the same shall not be so used until all money and other property belonging to such other nation and its nationals shall have been exhausted.

"Awards allowed to claimants of the first class shall be paid before awards allowed to claimants of the second and third class, and awards allowed to claimants of the second class shall be paid before awards allowed to claimants of the third class, and should such money and other property be insufficient to satisfy in full awards to claimants of any one of said three classes the same and/or the proceeds thereof shall be distributed ratably among the several claimants of that class.

"(j) All money held by the Alien Property Custodian or by the Treasurer of the United States belonging to persons in the class then subject to the payment of awards under this section shall be exhausted in the satisfaction of such awards before the property held by the Alien Property Custodian belonging to the same or other persons in the same class be subject to liquidation for the payment of such awards.

"(k) So far as such awards shall be payable by the Treasurer of the United States, all or any part of same may, at his option, be paid in United States bonds, at par, provided that any amount of the award of which a \$50 bond is not a factor shall be paid in currency.

"SEC. 30. (a) Any person enumerated in section 27 or section 28 claiming any right, title, or interest in any money or other property which has been conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian, or seized by him and held by him or the Treasurer of the United States by virtue of the trading with the enemy act, as amended, may, as provided in said sections, respectively, file with the commission a notice of his claim containing an application for allowance thereof, under oath and in such form and containing such particulars as the commission shall require; and the commission may order the payment, conveyance, transfer, assignment, or delivery of the money or other property so held by the Alien Property Custodian or Treasurer of the United States, or of the interest to which the commission shall determine said claimant is entitled, to said claimant, his agent, or attorney.

"(b) Any citizen of the United States, or his legal representative, to whom any debt which became due prior to July

14, 1919, may be owing from any person whose money or other property is subject to the payment of claims as provided in section 29 hereof, may file notice of such claim containing an application for the allowance thereof, as provided in the foregoing subsection (a); and the commission may, with the assent of the owner of said money or other property, and of all persons claiming any right, title, or interest therein, order the payment, conveyance, transfer, assignment, or delivery of the money or other property so held by the Alien Property Custodian or by the Treasurer of the United States, or of the interest therein to which the commission shall determine said claimant is entitled, to said claimant, his agent, or attorney.

"(c) Any claimant enumerated in the foregoing subsection (b) who is unable to obtain assent to the payment of the debt as provided therein may make application for the allowance of said debt by filing a petition therefor, as provided for claimants under section 29 hereof, and the commission shall proceed to adjudicate upon said claim under the same rules and regulations as it may provide for claimants under said section 29.

"(d) The Alien Property Custodian and the Treasurer of the United States shall not comply with any award or order of the commission allowed to claimants under the foregoing subsections (b) and (c) until all of the awards of the commission to claimants enumerated in section 29 herein have been paid or otherwise satisfied. Claimants under said subsections (b) and (c) shall be entitled to priority of payment according to the time of the filing of their respective claims.

"(e) All applications for the allowance of claims made to the President in accordance with the provisions of section 9 of the trading with the enemy act, as amended, which have not, at the time the commission meets for the first time as provided in section 21 hereof, been allowed or disallowed, shall be delivered over to the commission, and all applications so pending shall be deemed to have been filed with the commission as of such time. The commission, upon the receipt of said applications, shall proceed to adjudicate upon such claims in accordance with the provisions hereof: *Provided*, That after the commission meets for the first time, as provided in section 21 hereof, no further applications for the allowance of claims shall be received by the President under the said section 9, nor shall the President, on his own motion, dispose of any money or other property under the provisions of said section 9. The commission is hereby authorized to allow any claim for debt which might have been allowed under said section 9, provided that any such claim shall be filed under the same terms and conditions as any other claim hereunder and subject to the same restrictions as provided in said section 9.

"(f) Nothing contained herein shall in anywise prejudice the rights of any claimant who has heretofore instituted, or shall hereafter institute, suit in equity in the district court of the United States or the Supreme Court of the District of Columbia, as provided in said section 9. No claim shall be prosecuted before the commission if such suit in equity has theretofore been instituted in such district court of the United States or the Supreme Court of the District of Columbia asserting the same claim; and no suit shall be instituted in such district court of the United States or the Supreme Court of the District of Columbia if the same has theretofore been filed with the commission: *Provided*, That any person who has heretofore instituted any such suit in a district court of the United States or in the Supreme Court of the District of Columbia, the merits of which suit shall not have been determined by such court at the time of the approval of this act may apply to such court for the dismissal of such suit and upon the dismissal of the same may file his claim before the commission.

"SEC. 31. (a) The sole relief and remedy of any person having any claim to any money or other property or the proceeds of the sale thereof, heretofore conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian, or required so to be, or seized by him, shall be that provided by the terms of the trading with the enemy act as amended, and the terms hereof; and in the event that such property has been or shall be sold or otherwise disposed of by the Alien Property Custodian, shall be limited to and enforced against the net proceeds received therefrom and held by the Alien Property Custodian or by the Treasurer of the United States, and no such money or other property, or the proceeds of the sale thereof, liquidation or other dealing therewith, so held, shall be returned, or otherwise disposed of, unless the lawful expenses incurred by the Alien Property Custodian in holding and administering the said money or other property to be returned or otherwise disposed of, are first deducted therefrom or otherwise satisfied.

"(b) The return of any money or other property, or the proceeds of the sale thereof, or payment of any debt, in accordance with the provisions of the trading with the enemy act as amended, or the provisions hereof, shall operate as and be a full acquittance and discharge of the Alien Property Custodian or the Treasurer of the United States, as the case may be, and of the United States, in respect to any and all claims for or interest in said money or other property, or compensation or damage arising from the capture and administration of such property by the President or the Alien Property Custodian.

"SEC. 32. All money or other property held by the Alien Property Custodian or the Treasurer of the United States by virtue of the trading with the enemy act as amended shall be administered as provided in said act as amended until such time as the commission may otherwise order the disposal of the same, or as Congress shall otherwise direct: *Provided, however*, That no property shall hereafter be sold except to insure the prevention of waste and protect such property or to satisfy such taxes as are provided to be paid in an act entitled 'An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes,' approved July 1, 1918, or to satisfy claims in accordance with the awards and directions of the commission."

Mr. UNDERWOOD. Mr. President, I am trying to make a complete review of this whole subject, involving all that has been done, not as an argument, but as a statement of facts, and I hope to be able in the next four or five days to have it in such shape that I can read it to the Senate as a review of the whole question involving our taking this property and the American claims.

SHEPPARD-TOWNER MATERNITY BILL.

Mr. FERNALD. Mr. President, there appeared in the Boston Evening Transcript of Monday, July 17, 1922, an article stating that the Governor of Maine rejects the provisions of the maternity bill. He is a very clear-thinking and able business man and an exceedingly brilliant and sound lawyer. I ask that this article be printed in the Record in 8-point type without reading.

There being no objection, the article was ordered to be printed in the Record in 8-point type, as follows:

REJECTS MATERNITY AID—MAINE OPPOSES SHEPPARD-TOWNER MEASURE—FEDERAL ENCROACHMENT, DECLARES BAXTER—CONSTITUTIONALITY OF IT IS IN DOUBT—STATE CAN TAKE CARE OF ITS OWN.

AUGUSTA, ME., July 17.—Refusal to accept the terms of the Sheppard-Towner maternity and child labor bill pending the meeting of the legislature is expressed to-day in a proclamation by Governor Baxter. Although the final decision as to whether or not the State accepts this bill rests with the State legislature, it is provided that if the legislature is not in session the governor temporarily may accept the bill on behalf of the State until the next legislature convenes.

The governor relates what Maine is now doing in the field embraced by the bill and says:

"At the hearing on June 23 the advocates of the Sheppard-Towner bill admitted that the United States Supreme Court might declare the bill unconstitutional, thus making the \$5,000 'gift' to the State an unlawful use of the public funds by Congress. Notwithstanding this, these advocates urged the State to accept the money 'because other States have done so.' The weakness of this argument is apparent, and the State of Maine will take no money unless it has a clear title to it.

"I believe the time has come for the States of the Union to hold to a principle and to carefully scrutinize all offers of 'Federal aid' before accepting them. Having no doubt as to what my duty is in this matter, I decline to accept the Sheppard-Towner bill, and this State for the time being will stand with New York, Massachusetts, and Rhode Island, the three States that have rejected it. The State of Maine will not sell its birthright, and principle, not expediency, has been the determining factor with me in the solution of this problem. The financial aspects of Federal aid is interesting. The proffered \$5,000 has been referred to as a 'free gift' to the State of Maine, while in reality the Federal Government is taxing the State to raise this money; and now, in order to help our mothers and children, offers to pay back to the State the trivial sum of less than two-thirds of 1 cent for each inhabitant. At the present time over \$18,000,000 is annually taken in taxes by the Federal Government from the people of Maine, and less than \$1,250,000 is returned to the State in the form of Federal aid. This \$18,000,000 of Maine money is paid into the Federal Treasury at Washington, a large portion being absorbed in heavy administration expenses at the Federal Capitol, and a small fraction being returned to the State.

FEDERAL ENCROACHMENT.

"During the World War the power of the Federal Government over the States of the Union was extended beyond precedent. The time now has arrived, however, when our States should be restored to their former status and should guard against further encroachment. The founders of this Government saw the menace of Federal control, and from Washington's time to the present our greatest statesmen have warned against it.

"The people of Maine are willing and able to care for their own mothers and children, and I have faith to believe that Maine men and women will do this rather than accept so-called gratuities from a Federal bureau. Already we are overburdened with Federal interference and control, and our citizens and industries are hampered by Federal inspectors and other officials from Washington.

"The final acceptance or rejection of the Sheppard-Towner bill must be determined by the members of the incoming legislature, who directly represent the people of this State. It would be unfair to these representatives if the governor in advance should commit the State to the principle involved in the bill, for in that way the door to independent action by the legislature virtually would be closed.

"The Sheppard-Towner bill is to be attacked in the courts by the Commonwealth of Massachusetts, and eminent lawyers are of the opinion that the Federal Government has no power over the States in maternity and child-welfare matters. There also is grave doubt as to whether or not the governor of a State has the power to accept the bill in question, even though Congress attempts to confer that power upon him. The governor of a State does not derive his authority from the Federal Government, and a Federal bill that seeks to confer new powers upon him is of questionable standing.

STATE PROVIDES THE MONEY.

"The existing provisions of the Sheppard-Towner bill are reasonably moderate, but it properly may be assumed that attempts will be made to broaden its scope so as to further restrict the State's control over its own affairs. It is apparent that the present bill is but an entering wedge for more radical legislation, and Maine's delegation in Congress, our Senators and Representatives, should be urged to resist all further encroachments upon the States by the Federal Government. Maine will loyally support the Union in all matters that come under the provisions of the Federal Constitution, but the time has arrived when the people of this State will jealously guard the rights inherent in them as a sovereign people and will accept the responsibilities the possession of such rights imposes.

"The seven members of the executive council unanimously have advised me not to accept the bill in question. These councilors are men of wide experience in public matters, and I value their opinions highly. They, as well as myself, have at heart the welfare of the people of Maine, and, in conjunction with those who favor the bill, we all desire to advance maternity and child-welfare work.

"The councilors and myself believe that the figures given us on the mortality of mothers and infants in Maine show that an emergency exists that authorizes us to draw from the State contingent fund a sum equal to that offered the State by the Federal Government. This \$5,000 will be used in extending and improving the maternity and child-welfare work now being done under the supervision of the State department of health. The councilors and myself have already passed the council order appropriating this sum. Doctor Kendall, our health commissioner, now has this \$5,000 to spend during the next six months through the regular channels of his department.

"The action of the governor and council has maintained the independent position of the State, the rights of the next legislature have not been interfered with, while at the same time a distinct advantage has been gained for our maternity and child-welfare work. The State's appropriation of \$5,000 is to be spent during the next six months' period, whereas the \$5,000 offered by the Federal Government was to have been used for a full year's work.

"If the time ever comes when Maine refuses to care for its mothers and children or lags behind other States in humanitarian work, as some Southern States have done in neglecting to enact proper child labor laws, then it may become necessary for the Federal Government to intervene, or at least to offer advice and assistance. We are not confronted with this condition at the present time and should not encourage the centralization of power in Washington.

"In years gone by the State of Maine has not hesitated to stand for great principles and it is well for the 44 States that

have accepted the Sheppard-Towner bill to know that Maine neither asks for, nor for the time being accepts, Federal aid for its mothers and children."

NATIONAL LEPER HOME.

Mr. FERNALD. Mr. President, from the Committee on Public Buildings and Grounds I report, with an amendment, the bill (S. 3721) authorizing the appropriation of additional funds to continue in effect the act providing for the care and treatment of persons afflicted with leprosy and to prevent the spread of leprosy in the United States, and I submit a report (No. 832) thereon.

Mr. RANDELL. Does the Senator ask for the immediate consideration of that bill?

Mr. FERNALD. I now ask for the immediate consideration of the bill. I will briefly state the purposes of the bill, and if there is any objection to its present consideration I will ask that the committee report be read by the Secretary.

First, let me say that for some years it has been known by the medical fraternity of the country that there are somewhere between eight and twelve hundred lepers scattered all over the United States. The State of Louisiana was the first State to move in this matter. Some eight or ten years ago that State made provision for getting those people in the State together and building a hospital, which was done. In 1917 the Federal Government found that it was necessary to move in the matter. They purchased that hospital at Carville, La., made an appropriation of \$250,000, and provided for 200 beds. The hospital was immediately built, and the rooms immediately taken, so that we have the hospital entirely filled and 100 applicants from all over the country asking for provision to take care of them there.

This bill is approved by the Public Health Service and by the Secretary of the Treasury. It is very important that this appropriation be authorized immediately.

Mr. OVERMAN. Mr. President, we had this question before the Appropriations Committee and discussed the amount of money necessary to be given for the purpose. We gave them what we thought was sufficient to last until December, and in December next, when the deficiency appropriation bill comes up, we will make an investigation of the matter and give them whatever is necessary, realizing that those afflicted people ought to be taken care of. The matter having been considered by the Appropriations Committee, and a sufficient amount given to last until December, the Appropriations Committee thought we would wait until that time, inquire further into it, and give them whatever was then found to be necessary.

Mr. RANDELL. Will the Senator permit me just a word?

Mr. FERNALD. Just one word in answer to what the Senator from North Carolina has said. An investigation was made by the House committee and the provision unanimously approved. A very careful investigation was made by the Senate committee and the provision was unanimously approved. It would seem quite necessary that some action be taken immediately in order that the waiting applicants may be taken in. I can see no objection to the passage of the bill at this time in order to give authority to the Appropriations Committee so that they may act in December.

Mr. RANDELL. I will state to the Senator from North Carolina that this is not an appropriation. It is simply to give authority to the Committee on Appropriations to make the appropriation if they see fit to do so.

Mr. FERNALD. That is all.

Mr. OVERMAN. I misunderstood the Senator from Maine.

Mr. FERNALD. This is not an appropriation bill. It merely gives authority to expend the money.

Mr. OVERMAN. The whole question was investigated, the testimony taken by the House committee was thoroughly read, digested, and considered in the Committee on Appropriations of the Senate, and we appropriated a sufficient amount to take care of the matter until December, the committee unanimously agreeing that in December, when we had gotten light on some facts we wanted to know about, we would give a sufficient amount to take care of the other lepers.

Mr. RANDELL. The Senator is absolutely correct. The bill authorizes the Committee on Appropriations to appropriate money to construct certain buildings in order to take care of a lot of other applicants, and it will be long after December before the building can be gotten ready. It simply gives the committee a chance to appropriate if they see fit.

Mr. OVERMAN. I understand this is only an authorization.

Mr. RANDELL. It is only an authorization to the Committee on Public Buildings and Grounds. It is a very meritorious measure.

Mr. SMOOT. If the bill is going to lead to any further discussion I will object to it.

The PRESIDENT pro tempore. Is there objection to the making of the report? The Chair hears none, and the report is received.

The Chair understands that the Senator from Maine asks for the immediate consideration of the bill.

Mr. FERNALD. That is correct.

Mr. RANDELL. I ask that the reading of the report be omitted, and that the bill be acted upon.

Mr. CARAWAY. I would like to ask the Senator from Maine just one question. Does the bill contemplate taking care of all the people in this country afflicted with leprosy?

Mr. FERNALD. Yes; that is the idea.

Mr. CARAWAY. I know of one case in my own State, about which I have had some correspondence.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Public Buildings and Grounds with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to cause to be erected additional suitable buildings for the National Leper Home at Carville, La., at a limit of cost not to exceed the sum of \$650,000, which sum is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill providing for the erection of additional suitable and necessary buildings for the National Leper Home."

PETITIONS AND MEMORIALS.

Mr. WILLIS presented resolutions of Dean Horton Navy Post, No. 108, American Legion, of Toledo, Ohio, protesting against the enactment of legislation providing for the sale of light wines and beers for the purpose of raising funds for the payment of adjusted compensation to ex-service men, which were referred to the Committee on Finance and ordered to be printed in the Record, as follows:

Whereas there has been introduced in the Congress of the United States a bill known as the Hill amendment to House bill 9691, providing for the manufacture and sale of wine and beer to provide money to pay adjusted compensation to veterans of the World War: Now, therefore, be it

Resolved by the Dean Horton Navy Post of the American Legion, of Toledo, Ohio, in meeting assembled, That we look upon said bill as an insult to the veterans of the World War; that said measure is, in effect, a bald attempt to capitalize the veterans' desire for adjusted compensation and to use said veterans and the American Legion as a cat's paw to bring about selfish ends; that while we believe in and heartily support the measure providing for adjusted compensation to veterans of the World War, we, as veterans of the World War and members of the American Legion, resent and deplore the attempt to provide funds in this manner to pay adjusted compensation: Be it further

Resolved, That we, as veterans of the World War and members of the American Legion, would rather forego any such compensation than to have it come through the tears and misery of women and little children: Be it further

Resolved, That a copy of this resolution be sent to each Member of Congress representing this district.

DEAN HORTON NAVY POST, No. 108,
By HAROLD P. RAMISCH, Commander.

Mr. WILLIS presented a resolution unanimously adopted at a meeting attended by about 50 welfare leaders of Youngstown, Ohio, favoring Federal investigation and regulation of the motion-picture industry, which was referred to the Committee on the District of Columbia.

He also presented a memorial of Hanover Grange, No. 1812, Patrons of Husbandry, of Licking County, Ohio, remonstrating against the enactment of legislation imposing a tariff duty on potash, which was referred to the Committee on Finance.

Mr. PHIPPS presented resolutions of the Civic and Commercial Association of Denver and the Chambers of Commerce of Fort Collins, Greeley, Boulder, and Sterling, all in the State of Colorado, favoring enforcement of the United States Supreme Court decree releasing the Central Pacific Railway from control of the Southern Pacific Co., which were referred to the Committee on Interstate Commerce.

Mr. CAPPER presented resolutions adopted by the Beloit Business Men's Club, of Beloit, Kans., favoring enforcement of the United States Supreme Court decree ordering divorcement of the Central Pacific Railway from the Southern Pacific Co., which were referred to the Committee on Interstate Commerce.

Mr. RAWSON presented resolutions adopted by the Council Bluffs (Iowa) Chamber of Commerce, favoring enforcement of the United States Supreme Court decree ordering divorcement

of the Central Pacific Railway from the Southern Pacific Co., which were referred to the Committee on Interstate Commerce.

Mr. SHEPPARD presented resolutions unanimously adopted at a joint meeting of the Farm Labor Union of America of Texas and Arkansas, favoring the enactment of legislation providing that the Railroad Labor Board rescind its decision reducing the wages of approximately 1,500,000 railroad employees, etc., and also abolishing that board, which were referred to the Committee on Interstate Commerce.

Mr. JOHNSON presented a memorial adopted by the World Conference of Seventh Day Adventists, assembled in quadrennial session at San Francisco, Calif., consisting of more than 800 delegates and 6,000 other citizens, remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of sundry citizens of Long Beach, Calif., praying for the enactment of legislation granting pensions to officers and enlisted men of the militia and other organizations of the several States of the Union that co-operated with military or naval forces of the United States during the Civil War and providing pensions for their widows and dependent parents, etc., which was referred to the Committee on Pensions.

He also presented the memorial of Mrs. Lizzie A. McDowell, of Los Angeles, Calif., remonstrating against inclusion of the proposed food, tableware, and women's-wear schedules in the pending tariff bill, which was referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. McLEAN, from the Committee on Banking and Currency, to which was referred the bill (S. 3840) to amend section 5147 of the Revised Statutes, reported it without amendment.

Mr. BURSUM, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 10419) validating certain applications for and entries of public lands, reported it with amendments and submitted a report (No. 833) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 3853) appropriating money to purchase lands for the Clallam Tribe of Indians in the State of Washington, and for other purposes; to the Committee on Indian Affairs.

By Mr. SHEPPARD:

A bill (S. 3854) for the relief of Liberty loan subscribers of the National Bank of Cleburne, Tex.; to the Committee on Claims.

By Mr. BURSUM:

A bill (S. 3855) to ascertain and settle land claims of persons not Indian within Pueblo Indian land, land grants, and reservations in the State of New Mexico; to the Committee on Public Lands and Surveys.

By Mr. SHEPPARD:

A bill (S. 3856) to amend an act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917; to the Committee on Pensions.

By Mr. KING:

A joint resolution (S. J. Res. 228) authorizing the Secretary of the Interior to survey and dispose of certain lands in the Uintah Indian Reservation; to the Committee on Indian Affairs.

AMENDMENT TO INTERSTATE COMMERCE ACT.

Mr. SPENCER submitted an amendment intended to be proposed by him to the bill (S. 1345) to amend an act entitled "Interstate commerce act," approved February 28, 1920, which was ordered to lie on the table and to be printed.

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANKS.

Mr. McLEAN. Mr. President, I am informed that the Federal reserve banks have sent to the Senate their replies to the question embodied in the resolution offered by the Senator from Alabama [Mr. HEFLIN], and I ask that those replies be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. HEFLIN subsequently said: Mr. President, this morning the Senator from Connecticut [Mr. McLEAN] asked unanimous consent to have the reports of the Federal reserve banks printed in the RECORD. I told him on yesterday that I wanted to be present and submit some remarks at the time that was done, and that one of the banks had not complied with the

resolution of the Senate. I have to-day sent this telegram to the governor of the Federal Reserve Bank of Kansas City:

Failed to give number Glass speech distributed. Please send by wire at once.

I ask unanimous consent to vacate the order that was made this morning until this report can come in. I have no objection to printing the report at that time.

Mr. CURTIS. Mr. President, I hope the Senator will withhold that request until the Senator from Connecticut returns to the Chamber.

Mr. HEFLIN. The Senator and I had an understanding yesterday that I was to be present this morning when he made his request, and I was not present when he got the order. I am satisfied that he thought I was. This is a matter of right. The bank has not complied with the resolution of the Senate, and I am asking that that be done before the report is printed.

Mr. CURTIS. I withdraw my suggestion.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Senator from Alabama asks unanimous consent that the unanimous-consent order made this morning may be vacated. Is there objection? The Chair hears none.

CALL OF THE ROLL.

Mr. RANDELL obtained the floor.

Mr. JONES of Washington. Mr. President, the Senator from Louisiana is about to discuss a very important matter, and as I know he will present some very important and interesting facts I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Gooding	McCumber	Rawson
Borah	Hale	McKinley	Sheppard
Brandeggee	Harrell	McLean	Simmons
Broussard	Hedlin	McNary	Smoot
Bursum	Hitchcock	Moses	Spencer
Calder	Johnson	Nelson	Trammell
Cameron	Jones, N. Mex.	New	Underwood
Capper	Jones, Wash.	Newberry	Wadsworth
Caraway	Kellogg	Nicholson	Walsh, Mass.
Culberson	Kendrick	Norbeck	Walsh, Mont.
Cummins	Keyes	Oddie	Warren
Curtis	King	Overman	Watson, Ind.
Dial	Ladd	Pepper	Willis
Ernst	Lenroot	Phipps	
Fernald	Lodge	Pomerene	
Glass	McCormick	Ransdell	

Mr. UNDERWOOD. I desire to announce that the junior Senator from Georgia [Mr. WATSON] is detained from the Senate on account of illness, and that the senior Senator from Nevada [Mr. PITTMAN] is detained owing to illness in his family.

Mr. TRAMMELL. I desire to announce the unavoidable absence of my colleague [Mr. FLETCHER] on account of illness.

The PRESIDENT pro tempore. Sixty-one Senators having answered to their names, a quorum is present.

THE MERCHANT MARINE.

SHALL BRITAIN DICTATE OUR SEA POLICY?

Mr. RANDELL. Mr. President, there has just come to me a communication on a matter of such serious import from a national standpoint that I wish to bring it to your attention. It is a letter from the Mississippi Valley Association, which is composed of many leaders in the great Mississippi Valley, and its contents, with the inclosures attached, which indicate a vigorous effort on the part of Great Britain to dictate our sea policy, are entitled to the best attention of all patriotic Americans. The letter to which I refer is as follows:

"MISSISSIPPI VALLEY ASSOCIATION,

"St. Louis, July 15, 1922.

"HON. JOSEPH E. RANDELL,

"United States Senate, Washington, D. C.

"DEAR SENATOR RANDELL: Proof is now conclusive that the powerful shipping interests of England are determined, if possible, to prevent the enactment of the ship subsidy bill, which would insure the successful operation of an American merchant marine.

"I attach this proof in the shape of many clippings from recently printed English newspapers and magazines. Please note that a keynote of these editorials is a plea to the 'pro-British' party in the United States to block the passage of our ship subsidy bill."

I hope Senators will pay attention to this. I am talking about the pro-British party in the United States, organized to block the passage of the ship subsidy bill. It was a great surprise to me to learn of that fact, and I assume that most Senators are hearing it now for the first time.

FOREIGN FOES OF AMERICAN SHIPPING.

"The farmers and producers in the Mississippi Valley ought to know whence comes the real opposition to a bill whose purpose is to supply them with American-flag ships in order that their surplus foodstuffs, cotton, and manufactures may reach the world's consuming markets under as favorable conditions as possible and free from control by Great Britain or any other foreign country.

"Our people should also know that those of our own citizens who are attacking the ship subsidy bill in a partisan way are playing squarely into the hands of Great Britain, and to the detriment of American farmers and producers who, during the last half century, have not always been able to serve foreign markets which were needed by Great Britain and the extensive shipping interests of that country.

"The new tariff bill has been framed with a view to protecting American manufacturers at a time when industrial competition is very keen.

"The Federal barge line on the Mississippi and Warrior Rivers was created and is being operated as an aid to American farmers and producers of the interior whose need for efficient and low-cost transportation to ship side has become very great.

"The ship subsidy bill was framed for the purpose of giving American farmers and producers American-controlled steamship service to the consuming markets of the world at a time when every advantage must be made the most of.

A PERMANENT PLACE SOUGHT ON THE SEAS.

"The American Government has invested several billion dollars of taxpayers' money in creating its merchant fleet in order to start the development of a permanent merchant marine.

"Nobody wants the American Government to engage permanently in the business of merchant shipping. The intent all along has been to give American operators a fair chance to fully employ their splendid enterprise in this field and so compete with foreign operators.

"Because the United States is the richest of nations the scale of living in this country is very high. This means comparatively high costs generally.

"On the high seas these high costs must compete with the scale of costs in all other countries, which, as a rule, is lower.

"High cost of Government operation has increased this differential.

"American ship operators, when given a real chance, can do much to bring down these costs, to increase efficiency, and to render desirable service to American farmers and producers.

"But they can not themselves hope to completely offset through efficiency alone all the difference in costs existing between the United States and European countries.

"This difference the Government must pay, in the shape of a ship subsidy, if we are to have an efficient American merchant marine operated by American business enterprise at moderate cost.

SUBSIDY WILL CUT HEAVY LOSSES.

"Once this subsidy be granted, business enterprise will purchase and operate the Shipping Board's ships and then begin to apply to such operations the business skill and enterprise which have made the people of the United States so prosperous.

"The cost of the subsidy will be very small when compared to the heavy losses incurred by the Government in the upkeep, carrying, and direct operation of the American merchant marine.

"In this way the cost to the taxpayers will be greatly reduced, while American business enterprise will go far toward increasing the benefits to American farmers and producers of an efficiently operated American merchant marine.

"Great Britain, which has long drawn huge profits and valuable advantages from the handling of American commerce on the high seas, knows that the new merchant marine bill, with its subsidy feature and its advantages to shippers, will place American ship operators in position to compete with them, and they fear the competition of American business enterprise under such circumstances.

"They know that, under these conditions, American business enterprise will quickly open all worth-while foreign markets to American producers and keep them open.

BRITISH MONOPOLY ENDANGERED.

"It is no wonder then that Great Britain is calling on the 'Pro-British' party in the United States to oppose the passage of the ship subsidy bill, which would destroy the British shipping monopoly and take from British merchants all opportunity to close or open at will world markets needed by American farmers and producers.

"We must have low cost transportation to foreign markets, and that transportation must not be controlled by Great Britain or any other foreign country, if our farmers and manu-

facturers of surplus products are to prosper in competition with the producers of other countries who need markets now as never before.

"The open hostility of the people of Great Britain to this subsidy bill, as reflected in the editorial expressions I am sending you herewith, is so menacing to our institutions, particularly throughout the Mississippi Valley, that our people should know the facts without delay.

"With every respect,

"Very truly,

"THE MISSISSIPPI VALLEY ASSOCIATION,
"JAMES E. SMITH, President."

WESTMINSTER WATCHDOGS MUST WAKEN.

Among these clippings, Mr. President, I find in the Liverpool Courier of June 13 a lengthy article headed "Look to Your Shipping! Westminster Watchdogs Must Waken! What America Must Realize!"

According to this article, there is a pro-British party in the United States, and it is declared that British official and unofficial encouragement should be given to this party, and diplomatic suasion brought to bear upon Washington to defeat the bill that has been designed to give America a place upon the seas commensurate with her standing among the nations of the world. The writer is described as "a political and business expert, whose identity is for the present covered by the pseudonym 'Bencher.'"

"If the official American desire is to conciliate Great Britain," says this expert, "why is such a desired end thwarted by the introduction of a bill which must injure her, which has already alarmed her, which can but cause to her the most intense suspicion of America's motives for a generation to come?"

AMERICA ENVIOUS AND JEALOUS, BRITON SAYS.

The writer declares that there is an "obvious spirit of envy and jealousy behind the bill." [Italics mine.] Think of that, Senators, an "obvious spirit of envy and jealousy" behind the great bill introduced in the American Congress for the purpose of placing our own ships on the sea to carry our own commerce to all the world, commerce which is now being carried and for many years has been carried by ships of other countries. That act on our part, said this writer, "indicates an obvious spirit of envy and jealousy toward Great Britain." Then he proceeded to say that the power behind the measure comes from American business, and he adds:

"There are in the States two sections very well defined, the pro and the anti British. The division runs athwart even the strong line of cleavage separating free traders from protectionists. This means that some pro-British protectionists, while wishing nothing but well to Great Britain, are compelled by party attachment to back the present bill. On the other hand, there are conscientious free traders who would be against its passing but for the fact that their anti-British bias is stronger than their adherence to an economic theory."

A PRO-BRITISH PARTY IN THE UNITED STATES.

According to this anonymous British expert, then, Congress is divided into the pro-British and the anti-British parties, but some of the pro-British party will vote for the shipping bill. Let me quote further from this writer, who asks what can be done and answers his own question by saying:

"The general attitude of Great Britain, both officially and in her trading units, must be such that the pro-British party in the States is encouraged and the anti-British party made aware that the subsidy is not the concern of Americans only. There should be no empty threats of retaliation, either from Westminster or from the constituencies. There should be no wailing of the Big British Stick [he capitalizes Big British Stick]. There should be instead the actuality."

Those are pretty serious words, Senators!

The anonymous expert then proceeds to tell us of the kindnesses that Great Britain has showered upon us.

"It is, of course," he adds, "perfectly open to any Britisher legitimately to regard the subsidizing bill as treachery to his country. [Italics mine.] Great Britain, out of pure sentiment toward America, has agreed to alterations of her naval-power standard; she has consented to the supersession of the Anglo-Japanese alliance by a pact more favorable to the United States; she has allowed the trans-Atlantic consideration to affect her handling of the Irish situation."

SAY UNITED STATES HAS DONE WORSE THAN NOTHING.

"And in return what has America done?" the writer asks, and his answer is, "Worse than nothing." We not only abstain from assisting Great Britain in her efforts to reestablish European social life, he says, but he adds that we actively menace her by proposing a breach of commercial morality.

[Italics mine.] There are three things that the British must do, the writer says, and he enumerates them thus:

"1. Diplomatic suasion must be brought to bear upon Washington.

"2. Capital and labor must combine, in the most actual sense, to produce and to transport at the cheapest rate.

"3. America must be left under no misapprehension as to the solidity of the empire as one vast commercial unit, in the face of the sustained aggression which the subsidizing bill fore-shadows."

BRITISH TO BRING "PRESSURE" TO BEAR ON WASHINGTON.

This first action, that of bringing pressure to bear upon Washington, is simple, he says, if only the members of Parliament will insist that the British Government does its duty. To bring capital and labor together, he admits, is more difficult, but the matter of imperial solidarity, he says, is in the hands of the British Government, and he adds that "it is again up to the watchdogs at Westminster to give the alarm to Whitehall." And he concludes with the statement:

"In the present state of British industry the subsidies to American shipping from the American Nation will be the last straw which will break the back of British prosperity—unless Great Britain wakens up to her danger and faces it with a united front."

Mr. President, the charges against America in this article and others to which I shall refer are unfounded and unjust. I can not conceive how the natural desire and legitimate effort of the United States to establish a respectable merchant marine as an essential adjunct to its Navy and a carrier of a fair percentage of its vast foreign commerce can be considered "as treachery to Great Britain," as "a menace to international trade," and "a breach of commercial morality," which warrants threats of the "big British stick," and indicates on the part of the United States an "obvious spirit of envy and jealousy behind the [shipping] bill."

BRITISH CHARGES FALSE AND OFFENSIVE.

These charges are so false, so offensive, so utterly opposed to the friendly spirit which should exist between the two countries that I am at a loss to understand them.

It is also asserted that we have in America, in connection with the shipping bill, a pro-British and an anti-British party. This is certainly news to me, and I unhesitatingly deny the charge. If there be such parties, one opposing and the other favoring this measure, I am not aware of it. Personally I have taken a very active interest for many years in trying to secure a strong American merchant marine, but have done so for love of my own country and not because of opposition to Great Britain. I have the kindest feelings toward Britain. All of my ancestors came from England and Wales, and the ties of blood are very strong. It is farcical for anyone to place me or men who feel as I do in an anti-British party, if any such be in existence. We are not anti-British but we are Americans determined to do whatever our judgment dictates is for the best interests of America, provided it is honorable and just, and are not to be deterred by threats or abuse.

BRITISH VIEW OF BRITISH AMBASSADOR.

Incidentally, the Liverpool Courier views the British ambassador to the United States from an angle that is rather surprising to us in this country who have noted the activities, especially the oratorical ones, of Sir Auckland Geddes. The Liverpool Courier of May 29 last has as its leading editorial a statement entitled "J'Accuse!" The accused one seems to be the British ambassador, for after stating that the bill to aid the American merchant marine is still a hanging sword over the heads of British traders and wage earners, and that the United States Government "hopes to filch from the British race the supremacy of the carrying services of the world," the Liverpool paper adds:

"The Courier has candidly confessed that no nation can legitimately prevent another from legislating in any way it pleases for any of its own industries. All that can be done is to counter the effects of such legislation by increased effort. But this assumes that all possible persuasive pressure has been brought to bear to prevent such legislation being, in the first place, introduced.

"The question now arises," adds the Courier, "as to whether all possible pressure was brought to bear in this particular case. Did Sir Auckland Geddes, as Great Britain's ambassador, make to the United States Government any representations as to the view which this country would take of the bill? Did Sir Auckland's superiors in Whitehall enter any diplomatic protest? Did they in any way attempt to bargain away the more menacing clauses of the bill? Were they informed by Sir Auckland of the menace of the bill prior to its introduction?"

I wonder if the Courier approves of the very offensive false statements of "Bencher," mentioned above, which it quotes under big headlines? Does it consider these charges, which are bound to stir to anger every American with red blood in his veins, as proper "persuasive pressure" and the kind of "representations" Ambassador Geddes should have presented against the bill?

"AMERICAN REPENTANCE" THREATENED.

Quoting the views of a "Man on 'Change," the Liverpool Courier in its issue of May 26 says:

"America will repent, believe me. If she does not repent of her own free will and drop this proposal, she will repent under the persuasion of economic exigencies."

And in the same issue George Milligan, secretary of the Merseyside, Liverpool, area of the Transport Workers' Union, is quoted as saying:

"Such a measure ought to be resisted if possible and America given to understand that she is going to be the one to suffer from her attempt to grab a world trade into her greedy arms."

Other and dire threats, Mr. President! I begin to tremble for our welfare.

In the Liverpool Courier of June 1 last I find what is described as "an exclusive article by Mr. David John Marshall, a distinguished ornament of the American younger journalism and a much-traveled observer." Mr. Marshall is quoted as giving the British public the surprising information that "The American merchant marine consists of all vessels flying the American flag and is controlled by a central authority, the United States Shipping Board. In supreme command is Admiral William S. Benson." I need not say that there are 5,000,000 gross tons of privately owned shipping under the American flag over which the Shipping Board has no control, and that Admiral Benson is not in supreme command.

BRITAIN PROTECTED BY SUBSIDIES.

Mr. Marshall points out that British objection to subsidies is inconsistent. "Great Britain had no scruples in taking away American trade by direct attack some 50 years ago," he says. "Up to the period of the Civil War, 1861-1865, more than a third of the world's total tonnage was under the American flag. The British merchant marine was a very poor second to the American. Now, it is a plain fact, acknowledged by every historian, that the slowness on the part of American ship-owners to replace their wooden ships with steel resulted in the loss of America's prestige on the high seas. British owners were enabled to make the change quickly by a well-timed subsidy."

The writer concludes with the statement:

"America must have a merchant marine. Our plan is not to injure Britain. It is to make America secure in event of war."

Permit me to thank the Courier for publishing Mr. Marshall's very sensible comment. He is absolutely correct. We have not the slightest intention or desire to hurt Britain. But we do intend, at all costs, to create a merchant marine that will carry not less than 50 per cent of our foreign commerce and give us just as effective naval auxiliary cruisers and other aids as Britain's merchant vessels furnish her navy.

"EMPIRE MUST RETALIATE," IS CRY RAISED.

Dealing with the question of subsidization, under the headlines, "United States aggression to hit your pocket—Empire must retaliate," the Liverpool Courier in its issue of June 9 last says that care must be taken against the "fatalist argument that subsidies always defeat themselves and that no great shipping industry can be built up with their aid."

I call this argument of that great British newspaper to the especial attention of those Senators who doubt the efficacy of subsidies. The Liverpool Courier continues:

"It is quite untrue historically that subsidies necessarily fail.

"The Japanese merchant service, which so lately as 1890 had only 171,000 tons of shipping, has risen to its present figure of 3,354,000 tons largely through State aid and encouragement at British expense.

"The German merchant service was built up from small beginnings by subsidies, preferential railway rates, and pressure on emigrant traffic to 5,500,000 tons before the war."

Following this tribute to the value of the subsidy policy the Liverpool paper urges retaliation, and winds up with the declaration:

"The belief that the British are devoted to laissez faire is so ingrained in the United States that it is in large part responsible for the present shipping bill, and it would be well to remind the American public that circumstances might arise which would compel the British peoples to a radical change of policy."

Go as you please, gentlemen; we shall not attempt to interfere with any plans you have in mind. In our opinion you have a right to regulate your own affairs; kindly concede the same right to us.

BRITISH BOOBS AND YANKEE GRAB.

Under the captions, "British boobs and Yankee grab—Wangling world trade" (whatever this last may mean), I find in the Liverpool Courier for May 25 last an article declaring:

"The business community is distracted by unessentials while its very existence is threatened. Apathy and dissipated energy are allowing the American merchant and the American shipper to filch British markets."

"The time has come," the article continues, "when British traders will have to speak out plainly against the machinations of the United States in trying to create for themselves a monopoly in international trade."

As specimens of humor, these statements should be ranked highly. With our merchant marine carrying less than 4 per cent of Britain's exports and imports, our filching of British markets and international trade monopoly is not apparent to the naked or even the microscopic eye. I shall touch a little further on this later and continue now with the British viewpoint on "Wangling world trade." The Courier adds:

"It is not sufficient that there should be a vigorous protest by British shipowners. Nothing would please the Americans better than to think they were making the British shipowners squeal. * * * The aim of the United States is clearly to drive our ships out of the freight trade and to secure a monopoly for American trade."

IF THERE IS A SEA MONOPOLY, IT IS BRITISH.

In view of the fact that British vessels, according to the British Government's own figures, carry more of the whole world's trade than all the ships of all the other nations combined, these professed fears that we will secure a monopoly of ocean carrying have a very hollow ring to them.

Does Great Britain assume that our sea trade is her concern alone? The tenor of many of the comments that I have read is that any effort to aid the American merchant marine is directed solely at the British merchant marine. Roughly speaking, American sea trade is divided into three parts, of which our vessels carry one part, Great Britain's another, and the ships of other maritime nations combined the third.

The monthly summary of our foreign commerce issued by the Department of Commerce for April shows the value of the imports and domestic exports for the 10 months ending with April last. Belgian vessels carried \$24,000,000 worth of these goods; German, \$32,000,000; Swedish, \$46,000,000; Spanish, \$58,000,000; Danish, \$63,000,000; Italian, \$120,000,000; Dutch, \$162,000,000; Norwegian, \$200,000,000; French, \$212,000,000; and Japanese, \$352,000,000. The vessels of the other smaller maritime nations transported \$58,000,000 worth, a total for the ships of the countries enumerated of \$1,327,000,000. In addition, American vessels transported \$1,540,000,000 worth of goods and British ships \$1,605,000,000 worth. Britain, therefore, carries more of our exports than we ourselves do and more than all the other nations of the world combined, but there is a volume of more than a billion and a quarter dollars worth of goods carried in foreign vessels other than British. How, then, can Britain say that the development of the American merchant marine is aimed directly at her?

IS THE UNITED STATES A "BACK NUMBER"?

Another Liverpool paper that has devoted much attention to the shipping bill is the Journal of Commerce of that city. In the issue of April 18 last there is an article, one of whose captions is "United States a back number." The writer of this says that he will "venture the opinion that the States will never prove a serious rival to British shipping," adding that "as time goes on the frantic efforts of the United States shipping legislators to bolster up their mercantile marine by quack remedies will end in a gradual declension of the Stars and Stripes as a factor in the world's overseas trade."

In an editorial in the issue of April 20, however, we find the same paper hinting that the efforts of the United States Government to help the merchant marine "inherently contain the seeds of much trouble with foreign nations." And the hope is professed that the joint congressional committee will consider, among other things, the provisions of the shipping bill in relation to what the Liverpool paper calls "the disastrous effect it (the bill) is likely to have upon the relations of the United States and every other maritime nation in the world."

In the issue of the same paper for May 9 it is declared that there is little doubt of the passage of the bill, and it is further declared that, "Subsidies may prove a considerable help to ship operators in enabling them to meet foreign competition";

but it is declared to be more than doubtful if this aid will prove of assistance in building up such a mercantile marine as the people of the United States desire.

GERMAN CHARGE OF "SECRET" BRITISH SUBSIDIES.

Under date of May 11 the Liverpool Journal of Commerce reprints a dispatch to the Deutsche Bergwerks Zeitung from its Hamburg correspondent, in which it is stated: "In secret the British Government certainly is already granting large subsidies to many shipping companies."

Having declared on May 9 that there was little doubt that the shipping bill would be passed, the Liverpool paper on May 16 makes the editorial prediction that it will "not be at all surprising" if the joint congressional committee "expresses the opinion that it would be more expedient for the United States Government to reconsider the whole question of subsidizing United States ships." On May 30, however, an editorial entitled, "Bolstering up United States shipping," in the same publication, professes that the effects of the protective legislation proposed will be to "kill trade rather than invigorate it," and reprisals are threatened against what the paper calls "this insane policy of the States Legislature." Later issues of this publication are not at hand, but I have no doubt that the flip-flops of opinion still continue.

One of the leading British shipping papers—Fairplay, of London—admits the necessity of an American trade fleet from the standpoint of national protection. In its issue of April 20 last Fairplay says:

"The merchant fleet which America is seeking to gather together under her flag is as to her Navy as her Navy is to it, for without the one she would have no training school for the men needed to man the other, and without the other she would never be safe against attack on the high seas."

AMERICA'S DEFENSE DEMANDS A MERCHANT MARINE.

It is only a few weeks ago that I stood in this Hall and voted for the four-power naval treaty, a document acclaimed as the crowning piece of American diplomacy. That treaty places the fighting power of Great Britain on a parity with the fighting power of the United States on the high seas. But when I voted to ratify that treaty it was with the belief that the commercial sea power of the United States would be raised to something near that of Great Britain by the merchant marine bill urged so forcibly by President Harding. I pointed out then—and emphasize again to-day—that the commercial sea power of Great Britain is not on an equality with our own—not 5 to 5, but far more nearly 3 to our 1, or even 4 to our 1.

We are pledged for 10 years not to increase our battle fleet, and it is impossible for us to reach a position even approaching the naval equality of 5 to 5 provided for in the four-power treaty unless we create a strong merchant marine, well supplied with swift combined freight and passenger vessels which can readily be converted into naval auxiliaries similar to the splendid fleet of such ships owned by Great Britain.

Those who seek to delay, or prevent altogether, the upbuilding of the American merchant marine into an adequate peace-time instrument of commerce not only seek to hamper our national prosperity, but endanger the very safety of our Republic. We can not for the present add to our fighting ships, but in sheer self-defense we must create enough fast naval auxiliaries to make the few fighting ships we have left wholly efficient in any part of the globe to which we might have to send them.

JAPAN BUILDING FOR PROTECTION.

Japan, another signatory power to the naval treaty, already is acting on these lines. The money saved from battleship construction is being turned to fast liner building—emergency weapons second to none in any naval war.

Sir Edward Mackay Edgar is a director of the great British shipbuilding firm of Workman & Clark. In a cablegram from London under date of January 25 last, published in the Denver (Colo.) Post, he is quoted as saying of the proposed bill for an American ship subsidy:

"It is an affront to the heart of England and an indirect underhand plot against British shipping. Shipping is England's basic industry. It is her commercial life. Thereby we stand or fall. It is an underhand blow, and it is directed at England's very existence. But we shall not worry. British shipping will always hold its own. Nevertheless no more absurd suggestion could have been made if America wishes to have the warm friendship of England. Nor could there have been any suggestion more hostile to England."

I would say that if England is not worrying, she is concealing the fact remarkably well, and has a strange way of showing her equanimity.

IMPERIAL COMBINE AGAINST UNITED STATES URGED.

The note of a British imperial combination against the American merchant marine is frequently sounded. Mr. Stanley Baldwin, president of the British Board of Trade, which has extraordinary official powers over shipping, at a dinner of the British Institution of Naval Architects, in April, is reported by Fairplay in its issue of April 13 last as having stated that the British merchant marine "has not only got to face a period of intense competition but also a deliberate attempt on the part of other countries to build up a merchant marine at our—Britain's—expense. Shipping is our lifeblood, and therefore this problem of the mercantile marine is not only a problem for this country but for the whole Empire, and the Empire should draw together and present a united front against any attacks which are made, and it should be known to the world that if any part suffers the Empire will stand as one man."

Fairplay, commenting in the same issue on this statement, says that should the indirect subsidy parts of the shipping bill pass without alteration, "there can be no doubt but that, as Mr. Baldwin also says in effect, retaliatory measures will have to be resorted to, with all the ugly consequences that such action necessarily brings with it."

Mr. HARRELD. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Oklahoma?

Mr. RANSDELL. I shall be delighted to yield.

Mr. HARRELD. All the various quotations that the Senator gives from the English press have reference to retaliatory measures. I presume they mean by that that if the United States provides a subsidy for its shipping, they will retaliate by also providing a subsidy. What would be the effect if the nations of the earth should start upon a system of retaliatory subsidies? If we set the pace and other nations began to meet that by retaliatory subsidies, what would be the effect?

I ask the question because I have an open mind on this subject; I am studying it very earnestly, and I am very much interested in the discussion the Senator is giving.

Mr. RANSDELL. I thank the Senator for the question. I have just quoted from one of these great British publications, the *Courier*, of Liverpool, in which it shows that the merchant marine of Japan was built up by subsidies from 171,000 tons in 1890 to 3,354,000 tons at the present time by State aid, by assistance such as we call "subsidy." They do not give it that name, but they say "State aid." The same paper, in the same number, refers to the wonderful upbuilding of the German merchant marine from little or nothing to 5,500,000 tons when the World War broke out by subsidies, preferential railway rates, pressure on emigrant traffic, and other measures.

Furthermore, let me say to the Senator that before I am through I shall show that Great Britain herself is at the present time giving very substantial aid to her merchant marine in the way of subsidies. She is giving to the Cunard Line, through what she calls admiralty and postal subventions, about \$1,000,000 a year. She treats her ships in the most liberal manner in the carrying of the mail. About 75 years ago we had a wonderful merchant marine which carried between 80 and 90 per cent of our commerce. Great impetus was given to our shipbuilding by discriminatory rates passed in the early tariff acts, and for a few years liberal payments were made for carrying the mail. This was several years prior to the Civil War—

Mr. HARRELD. Mr. President—

Mr. RANSDELL. Wait a minute, and then I will give the Senator every chance. I say, at that time, when we had gone forward wonderfully, Great Britain came in with very material subsidies to aid her ships, and the aid which she gave was most important in building up her merchant marine at our expense. In addition to that, she had the wisdom to take up steam vessels quicker than we did; then the Civil War came on, and all those things combined to hurt us very seriously.

I now yield to the Senator.

Mr. HARRELD. Admitting all that, however, the question I asked was, What would be the effect of retaliatory measures on the part of various countries trying to overcome or head off each other in the matter of granting subsidies? That is my question.

Mr. RANSDELL. Mr. President, I can not say just what would be the effect of retaliatory measures by the various maritime countries, though I do not think they would be very serious for us. I will discuss later somewhat in detail the question of retaliation by Great Britain. I should like to say to the Senator that when the late World War broke out we were carrying only 9 per cent of our commerce in American vessels. Ninety-one per cent of it was being carried by foreign ships, and it was practically impossible for us to send our goods abroad in our own bottoms, as they were so scarce. Certainly

we should do something, and I think not only we but every maritime country should do something to have a fair percentage of its own goods carried in its own ships.

Mr. HARRELD. I will make myself clear to the Senator. Suppose that we give a subsidy, and suppose that England gives a like subsidy. Will it have any effect at all on the situation?

Mr. RANSDELL. I do not know what effect it would have on England, and I am not interested in England. I am interested in the United States. If we give a subsidy as provided in the pending shipping bill, beyond any question it will result in building up an American merchant marine which will carry at least 50 per cent of our foreign commerce, and that is all that we are seeking to carry. If we give a subsidy, it will enable us to sell a great many of the ships which were built during the war, and which now are a complete glut on the market, so much so they can not be sold at any price. If we give a subsidy, it will help us to establish a naval reserve to train sailors for the Navy. If we give a subsidy, in my judgment, sir, it will enable us to place on the sea a considerable number of fast combined freight and passenger ships, which in time of stress may be added to the Navy as auxiliaries, and without those ships we can not have an effective Navy, in the words of Fairplay itself, this great English publication. We can not get these auxiliaries without aid of some kind. We have not them now.

Let me remind the Senator that when President Roosevelt sent our fleet around the world, in December, 1907, and continued in 1908, they had to be supplied with colliers, provision ships, hospital ships, and supply ships from the vessels of other countries. We had very few of our own. Our Navy was absolutely ineffective. You can not have an effective Navy without a strong merchant marine.

Mr. HARRELD. I agree with the Senator.

Mr. RANSDELL. We can not get that merchant marine without a subsidy, in my judgment. We have fallen down absolutely for years and years. Both political parties have fallen down. Since about the time of the Civil War, sixty-odd years ago, we have carried practically none of our commerce in our own ships. We have ceased to be a seafaring people. The World War forced us to construct a big fleet of ships. Foreign ships could not carry our commerce at that time. They could not carry their own. The U-boat intervened, destroyed a great many ships, and drove a large number from the sea. Our goods rotted on the wharves. I know that down in my country cotton could not be shipped. Wheat from the Senator's own country could not be shipped. The world was demanding our commerce and there were no ships to carry it. The Old World, the world of Europe, begged us for ships, ships, more ships. We were compelled to build the ships for them. We have them now—over 1,400 of them. We ought to do something to secure their operation. I know of no way in which this can be done, unless we give them the material aid provided in this bill; and I will say to the Senator that it is not subsidy alone. The bill provides a number of other very important things besides subsidy. Subsidy is only one of its provisions. All of those matters will be gone into in detail at the proper time.

"BATTLING FOR OUR PURSE," SAYS ENGLISH PAPER.

Returning to the subject in its issue of April 20, Fairplay, under the signature of the Look-Out Man, says:

"Were it ever found that the British mercantile marine were likely to be put out of existence owing to the peculiar competitive methods of its rivals, I would hesitate at nothing, not even at nationalization, to keep it going."

He seems willing for Great Britain to take charge of all the ships and operate them as a national proposition. I am unwilling, as far as I am concerned, to have our country continue to operate its ships if we can find American citizens to operate them. I am not in favor of Government ownership and operation of anything which the citizens can do just as well. I believe in private initiative, in private enterprise. I do not think we ought to have our merchant marine nationalized, as it is now to a great extent. At first, as a matter of course, we could not do otherwise. We had to build these ships as a war measure. They are on our hands. We had to operate them temporarily. We have done the best we could with them; but just as soon as possible, in my judgment, we should get rid of them.

This Englishman seems to threaten us with "nationalization." All right; if Great Britain wants it, she can have it. I certainly do not want it to continue in America any longer than is necessary, and that is one reason why I favor the pending bill.

This man continues:

"Fights with the raw 'uns"—

I suppose he means the bare hands, the knuckles—

"Fights with the raw 'uns are barred in this country for moral reasons; they tended, I believe, to brutalize the onlookers;

or, perhaps, they gave them a shorter run for their money than they seem to enjoy to-day, when a 20-round affair has even been known to last for six rounds, not seconds, though I fancy that the record has been almost reached. When, however, we are battling for existence, or at least for our purse, down the other fellow's yard, the gentler teachings of civilization and lecture-room logic have to go away and hide themselves. And that, I am pretty sure, is what would happen were the two great Anglo-Saxon races to find themselves at commercial death grips on the waters."

Thus, in prize-fighting lingo, we have the situation presented from the British point of view, chip-on-shoulder fashion, like the old prizefighter who sought to win by shaking his fist and making faces at his opponent.

Such talk is unworthy of a great journal like *Fairplay*. Its only effect is to irritate its British readers and disgust Americans. The people of this country are more than able to take care of themselves if forced, against their will, into "commercial death grips on the waters." Same men in England should prevent the repetition of such articles. They are loaded with dynamite. As a real well-wisher of Great Britain, I suggest to *Fairplay* that it try on its American readers some milder and more persuasive arguments than threats of "retaliatory measures" with their "ugly consequences," and to the "Lookout man" that he "hide himself" for the next five years in "the other fellow's yard" and keep silent.

Mr. HARRELD. Or let "*Fairplay*" change its name.

Mr. RANDELL. Yes; let it change its name, as the Senator suggests.

FAIR SHARE OF OUR TRADE IS OUR GOAL.

There is no necessity for hysteria on the part of Great Britain over the proposed legislation by the United States in regard to shipping. Surely no country has just cause for offense at our coastwise laws, which restrict all commerce between American ports, including Alaska, Hawaii, and Porto Rico, to American vessels. Nor can anyone reasonably complain because we desire to have fast vessels of commerce, which in time of war can be speedily converted into naval auxiliaries. Our plan to carry at least one-half our foreign commerce, both exports and imports, including our outbound mail and 50 per cent of the immigrants to our shores, under our own flag, is a logical and proper one, entirely within our legal and moral rights, and no country has valid reason to object to it.

Let us see what a fair share of our carrying trade would mean to us. I have here a table compiled from the records of the Department of Commerce, showing the values of American exports and imports transported by vessels during the calendar years 1919, 1920, and 1921, a period in which there has been a large volume of tonnage under the American flag. In these three years \$29,173,000,000 worth of goods moved to and from American ports by water in the foreign trade. Of this amount \$18,029,000,000 was carried by foreign vessels, and of this \$10,161,000,000 represents the share of British shipping. American vessels carried \$11,144,000,000 worth of the total.

BILLIONS PAID IN OCEAN FREIGHTS.

Economic experts figure the ocean freights on goods as averaging about 8 per cent of the commodity value. On this basis foreign ships in American trade during the three years recently ended received \$1,442,000,000 in freight money, with \$801,000,000 for American ships, or a total of \$2,333,000,000 in ocean freights in American foreign trade.

If in these three years our vessels had carried half that trade, instead of somewhat more than a third, there would have been retained in this country \$275,000,000 that went abroad to help develop the shipping of our foreign rivals. If we had been able to secure as great a share of our trade as the British have of theirs, we should have kept in this country for the development of our own commerce \$663,000,000 that went abroad in the last three years. Even the highest subsidy that has been proposed for the American merchant marine would in three years amount to only a fraction of the figures I have cited.

President Harding, in a recent letter on the merchant marine situation referring to foreign propaganda against the bill, spoke of "a well-screened course of opposition to an outstanding and confident American course" and of "discouragement often insidiously disseminated here." What is the foreign reaction to this?

ACTIVITIES OF FOREIGN PROPAGANDA.

In the *London Times* of June 23 there appears a dispatch from "Our own correspondent" at Washington, in which it is stated:

"In the President's letter are passages discreetly worded which deserve consideration. The words 'insidiously disseminated' may be taken to refer to the activities of shipping companies of foreign ownership who have in their employ Americans ready and able to exert political influence, and American memories go back 12 years to the discovery by Congress that the German shipping companies then maintained a lobby in Washington for the purpose of thwarting any attempt to give legislative aid to American shipping."

And then follows what, in the correspondent's own words, may be called "passages discreetly worded," thus:

"Congress and the country generally are perhaps inclined to be hypersensitive on the subject of foreign propaganda just now, and any interests who might think it desirable to follow the German example will unquestionably be defeating the object they seek to attain."

A word to the wise propagandist is sufficient. If you must propagandize, go ahead; but don't be found out. That is the "discreetly worded" message sent overseas.

NO ALIEN OPPOSITION TO BE TOLERATED.

On the same date that the *London Times* dispatch appeared—June 23, 1922—the *London Daily Telegraph* printed a message from "Our own correspondent," dated New York, which conveys the cheering tidings from a British point of view that the shipping bill, "if it passes at all, may be so rewritten as to be unrecognizable," and adding: "The Washington correspondent of the *New York World* declares to-day that the Shipping Board officials are in deadly earnest in promoting ship subsidy legislation, and that 'no foreign opposition to the bill will be tolerated.' The last phrase seems rather obscure," says the *London paper's* representative in New York, "but," he adds, "the suggestion is that there are shipping companies, foreign owned, which have in their employ Americans who know how to marshal political influence at Washington. In the days before the war it was not disputed that the German shipping companies had a well organized lobby here, but outwardly at least there has been no proof of the return of any lobby whatever since the war ended."

Note that in these two dispatches, one purporting to have been written in Washington and the other in New York and both appearing in *London newspapers* the same morning, the thought is identical and the words in part are identical. Shall we attribute this to mental telepathy between the representatives of British interests domiciled here or to an organized interpretation of the resentment against attempted foreign interference in American legislation?

A somewhat different treatment of the case is shown in the *London Morning Post's* dispatch from "Our own correspondent" at Washington, printed on the same morning—June 23—as the other two messages.

ANY STICK GOOD ENOUGH TO BEAT A DEAD HORSE.

"Recently," he says, "Senator WATSON [speaking of the Senator from Indiana] materialized a new ghost in the machinations of the British and Italian ambassadors, but it was such a poor and feeble spirit that it vanished into thin air the moment the light was turned on. Now it is the British and other Governments who are maintaining a powerful lobby in Washington to defeat the subsidy bill. Nobody has been able to pick up the trail of these lobbyists or find how their unholy work is done, but any stick is good enough to beat a dead horse."

The feeble spirit's vanishment into thin air is interesting to note, for at the same time this disintegration was accomplished the British ambassador, after a conference at the State Department, departed from these shores on a summer vacation.

I want to call attention to another dispatch in the *London Post* from its Washington correspondent, published in that paper's issue of June 15. In this the representative of the British publication says that he had interviews with President Harding at Marion prior to his election, and that "the President dwelt upon the importance of the United States having a great merchant marine, not, as he pointed out, because of any antagonism to England, but because, in his opinion, it was necessary for the well-being of America." The representative of the British paper adds: "Mr. Harding's views, however, are not entirely agreed in by his party. Many Republicans believe that the proposed legislation is dangerous and will be bound to create friction with England and other maritime nations, and will not be productive of the results Mr. Harding anticipates. That the bill will be harmful to British interests is admitted."

NO FEAR OF BRITAIN IN CONGRESS.

Note the implication here that there is a sentiment in Congress against the shipping bill because of apprehension that the measure will create friction with England. If any fear of Britain exists in Congress, I am not aware of it; nor do I

believe we will be swerved from our purpose to establish the American flag again on the seas for purposes of protecting the Nation and the Nation's commerce by any such consideration. We would deeply regret serious friction with Great Britain or any other maritime country, but must pursue the course deemed essential to our naval and commercial welfare, even if offense be given thereby. We shall try hard, in carrying out this policy, not to step on any nation's toes, but will do so if necessary. Self-defense is the highest law of nations as of individuals. The shipping bill is one of the most important measures of national self-defense ever presented to the American Congress, and it does not require prophetic vision to predict its passage in the near future.

But the English press holds no monopoly in the matter of sounding warnings to the United States of the terrible consequences that would follow the passage of legislation to aid the American merchant marine. British shipping leaders, equipped with an array of titles thrust upon them by a grateful Government, have been showering us with fatherly, or, should I say, stepfatherly, advice and admonition.

LORD INCHCAPE'S WORDS OF ADVICE.

Lord Inchcape, head of the Peninsular & Oriental Line, for instance, according to the London Times of June 23, made a speech at a recent dinner of the Worcester Old Boys' Association, which was "notable for the references to the prospective American shipping legislation." After describing our maritime ambition as a "natural product of our kinship" to the British, the noble lord declared that our chief difficulty was not one of material but of personnel, and he added that "no amount of Government assistance will produce those ripe fruits of enterprise which must come from development by personal and individual initiative." He felt sure, says the London Times, "that any such legislation as that now contemplated by Congress must from its very nature defeat the object it had in view." Lord Inchcape's company has been receiving British subventions since 1837.

Sir Norman Hill is one of the leaders of British shipping. In an article by him, which appears in the London Times of May 18, he declares that the shipping bill can not be regarded as merely shipping legislation, and that it raises issues of the gravest moment to all international trade. The purpose of the indirect aids provided by the bill, he says, is "to confer on American ships a monopoly in the world's carrying trade with the United States."

SHIPPING BILL "PROVOKES" BRITON.

He further says:

"It can not be that the States are seeking to place additional difficulties in the way of their buyers, still less that they are seeking a quarrel, but the merchant marine bill has already provoked the president of the board of trade to urge that 'the mother country and the dominions should take earnest counsel together on the matter before it was too late, so that we might show a united front against any attempt to discriminate against or to damage the position of our shipping.' Such talk is the despair of every believer in the common benefits conferred by international commerce, and the pity is that it should be provoked by *threats to keep all international trade* [italics mine] with the United States for vessels under the American flag."

Sir Norman Hill seems to run to such words as *quarrel, provoked, damage, and threats*. Where has he heard these threats to keep all our foreign trade for vessels under the American flag? If we shall be able to secure a fair share of that commerce—not less than one-half—for our own ships, we shall be satisfied. Britain carries two-thirds of her own trade; we carry less than a third of ours. Britain carries more than a third of our trade. We carry less than a twentieth of hers. If there is a monopoly, who has it? We shall be content if the shipping bill gives us what we hope it will, the carriage of at least 50 per cent of our own sea trade. We are not asking for two-thirds of it as Great Britain carries of hers. If to seek that is to utter a threat, then so be it, for America will never be satisfied with less.

CUNARD LINE HEAD GIVES WARNING.

Sir Thomas Royden is the head of the Cunard Line. At the annual meeting of that company on April 26 last he touched on the shipping situation, saying, in part:

"Once equality of opportunity for all vessels employed in international trade is denied by any one nation, the door is opened for every kind of retaliation, the end of which probably no one can foresee."

Observe that this note of protest against subsidies to aid American shipping comes from the head of a British shipping company most heavily subsidized by the British Government,

which turned over to it practically as a gift two of the finest trans-Atlantic liners ever built—the *Mauretania* and the *Lusitania*. The total subvention—or, as we would say, subsidy—Admiralty and postal, of the Cunard Line amounts to about \$1,000,000 a year. Surely its head should, in all decency, remain silent on the subject of subsidies. This Cunard subsidy is fully explained in Appendix C.

Sir Thomas's words, says the Liverpool Journal of Commerce in an editorial appearing on April 27 last, "will no doubt be carefully weighed by the United States authorities, but they demand the attention also of our own Government."

RETALIATION CRY AGAIN SOUNDED.

Still another titled Briton who sounds the retaliation cry is Sir Owen Phillips, M. P., head of the Royal Mail Steam Packet Co., a continuous beneficiary of Britain's "subvention" system since 1842. At the annual meeting of that company on June 1, Sir Owen made an address, which is reported in the London Daily Express of June 2, under the headlines "Hint to America—Retaliation for shipping discriminations." "A warning intended for America on the risk of discriminating against British shipping was uttered," by Sir Owen, says the London paper, which quotes the speaker as saying:

"Great Britain has stood for centuries for the freedom of the seas and extends to vessels of all nations the same treatment in all respects as to her own. It is to the interests of all that the seven seas should be free, and I hope that all discriminatory measures may be dropped. If, on the contrary, foreign nations impose restrictions and penalties against the British merchant marine, it may be necessary for Great Britain, in self-protection, to reconsider her position. There is an act of Parliament of 1853 which has been on the statute book for 70 years giving the British Government at any moment power to take immediate measures to protect her mercantile marine against unfair discrimination."

What is this terrible rod that Great Britain has in pickle for us? Some light is shed on the subject in the June 21 issue of the *Syren and Shipping*, of London, which states that Sandeman Allen, head of the Liverpool Chamber of Commerce, has disclosed the fact that the chamber has approached the British foreign office with regard to the injurious effect which the United States merchant marine bill would have upon commerce and upon that of Liverpool in particular. Mr. Allen also referred to the customs consolidation act of 1853, which he said might be utilized. This act, according to the British publication, provides that in case discrimination in duties or charges are made against British vessels, it shall be lawful by order in council to impose like treatment upon the vessels of the country discriminating. In other words, Great Britain can adopt measures similar to those proposed by us for the protection of our merchant marine. And why not? We have no objection.

COASTING TRADE RETALIATION PROPOSED.

As an example of the proposed retaliation, I quote from a report of Donald Macleod & Co., British shipping brokers, appearing in the *Shipping Gazette*, of London, issue of March 27 last. This statement, after referring to the proposal to extend our coastwise laws to the Philippines, says:

"Great Britain could at once retaliate by including in our coasting trade the trade between England, Canada, South Africa, India, and Australia and bar these trades to American and other foreign tonnage."

I would call attention to the British Government's trade figures for May last, showing the trade between Great Britain and the countries mentioned in terms of net tonnage of the vessels with cargoes in those trades. These show that the only American shipping entering British ports from any British possessions was 7,238 net tons from British North America, and in the same month not a ton of American shipping cleared a British port with cargoes for any unit of the British Empire.

A 99 PER CENT BRITISH PROPOSITION.

Stress is frequently laid by British interests on the fact that the coasting trade of Great Britain is open to the ships of all nations. Let us see how much of an aid this is to non-British shipping. In the same report for May that I just cited figures are given that entrances and clearances of ships with cargoes in the coasting trade during that month aggregated 4,327,889 net tons, of which the total for all foreign ships was 14,268 tons and for British vessels 4,313,261 tons. The British share of this total was 99.6 per cent, and the foreign share, including American vessels, if there were any, was four-tenths of 1 per cent.

If British retaliation should succeed in barring the trades named to vessels under the American flag, the loss could hardly be described as more than infinitesimal.

We have heard a great deal about "equal opportunity for the ships of all nations" as the keystone of British commercial policy. And always the thought is accompanied by the suggestion that British generosity and good will are responsible for this policy. Let us see.

THE BRITISH GOVERNMENT'S SHIPPING POLICY.

Here is an official British Government document published by His Majesty's stationery office, London. I may say in passing that I have the originals of the documents to which I am referring. I shall not take up the time of the Senate to quote directly from them, but I have all of them here on my desk. The one to which I now refer is called "Reports of the departmental committee appointed by the board of trade to consider the position of the shipping and shipbuilding industries after the war," and it is dated 1918. The chairman of the committee was Sir Alfred Booth, of the Cunard Line, and among its members was Sir Joseph Maclay, subsequently appointed British shipping controller.

The question of the advisability of Great Britain's adopting a policy of discrimination in favor of its merchant marine is dealt with on page 196 of this document. The question, as put in the report, is: "Should British shipping be accorded preferential treatment over the shipping of other nations?" And the answer of the committee is as follows:

"It is well to realize that an affirmative decision would involve a reversion to the general principles of the navigation laws. Preference to British shipping might take three forms, each of which could be used in combination with one or both of the other two, viz:

- "1. Preference in respect to port facilities;
- "2. Preference in respect to shipping and port dues; or
- "3. Preference in respect of the imports and exports carried in British vessels.

ENGLAND'S REASONS COMMERCIAL.

"Of these forms of preference the first would be difficult to enforce, and the second would, in our opinion, be ineffective unless the dues in question were made exceedingly onerous. Whatever the merits of preference in this connection, we should deprecate the imposition of port charges or shipping dues on a scale higher than is necessary to defray expenses. We are thus left with the third form of preference, which involves flag discrimination in the purest form. We have only to examine the nature of our carrying trade to see the undesirability of adopting any such policy."

I want to pause just a moment to point out the significance of the wording of that last sentence. Note that nothing is said about *equal opportunity for the ships of all nations*. The question is considered not on the basis of the world's carrying trade but on the basis of the carrying trade of Great Britain. A cold, clear-cut business proposition. And then follows the admission of this British Government committee that the ships of Great Britain carry more of the world's trade—not merely British trade, mark you—than the ships of all the other maritime nations of the world rolled together. And this is the country that charges us with seeking a monopoly of the seas.

OVER HALF WORLD'S TRADE BRITISH CARRIED.

The report says, page 196:

"Before the war we owned nearly one-half the world's shipping and we carried over one-half of the world's trade." And figures are given showing that the entrances of British shipping in 1911 represented 71 per cent of the trade between the British Empire and foreign countries and the interimperial trade. And, in addition, they carried 29 per cent of the trade between foreign countries—trade in which the ships never touched at a British port. Think what that means. As the British committee puts it, "Only the interimperial trade would be immune from retaliatory action by foreign countries. The trades between foreign countries would be exposed to retaliation of both terminals, whilst the trades between the empire and foreign countries would be liable to retaliation at the foreign end."

It is *good business*, is it not, when Britain is carrying the bulk of the world's trade, to seek to safeguard its ships engaged in transporting goods neither the buyer nor the seller of which is British, but it is a *more than equal opportunity* that Great Britain seeks for its merchant marine. As the committee states:

"The adoption of a discriminatory policy would, therefore, hit with great severity that portion of our shipping which trades between foreign countries, and especially the tramp interest, at the very time when it will be necessary to make every effort to recover our former ascendancy in the distant trades and to repair the very grave damage caused during the war to the tramp owners' position."

WHAT "ASCENDANCY" MEANS FOR BRITAIN.

I call attention to the British committee's own figures to show what that so-called "ascendancy in the distant trades" means. In 1911, the year for which records are given, it meant 67,000,000 tons of British shipping, and in that same year 123,000,000 tons of British vessels entered ports in the trade between the empire and foreign countries and 41,000,000 tons in the trades between the units of the British Empire, a grand total of 231,000,000 tons. And last year the total entrances of American ships at all British ports, according to the record of the British Board of Trade, were 2,744,000 tons, and of that total 2,313,000 tons came direct from the United States. And in the same year, still according to the British Government's figures, British ships entering British ports from the United States alone, with cargoes, aggregated 5,551,000 tons.

Having shown that it would be bad business to seek discrimination in favor of British ships, the British committee gives brief consideration to the international aspect of the situation. "One argument against a policy of discrimination remains to be stated," that body says, "and it is one that in our opinion overrides all others. Whatever may be the merits or the practicability of a League of Nations after the war, it seems clear that our object must be to eliminate the causes of international friction which might lead to future wars. International commerce will be more than ever necessary after the war, and it would be deplorable to set out on a course which would hamper the natural flow of trade and lead to endless quarrels among the maritime nations of the world. Freedom of the seas in the sense of equal treatment of all flags in all ports should therefore be a cardinal principle in our postwar policy."

"ENDLESS QUARRELS" AND "FUTURE WARS" HINTED.

Note how the keynote of this argument of 1918 crops up again and again in the threats, veiled and unveiled, of the British editorials, interviews, and statements I have read from British publications. Having decided the case on its merits as a business proposition, Britain now puts as a tail to its kite the beauties of international comity, coupled with hints of "endless quarrels" and "future wars" if the policy that is most advantageous to the maintenance of her maritime monopoly is not complied with.

But the report winds up its conclusions on the subject of the most profitable marine policy by a return to the purely commercial principles.

"Our conclusion then is, and must be," says the British committee, "that the only policy which can meet the position is one which, instead of giving preference at home, will secure the grant of national treatment to British shipping in the fullest sense abroad. Action should be directed toward maintaining this treatment where it is already given and toward securing it where it has hitherto been withheld. So far as maritime policy is concerned, this is the most effective support that His Majesty's Government can give to British shipping during the difficult period of reconstruction."

"MAINTAIN MONOPOLY" IS THE KEYNOTE.

In other words, the fixed policy of Great Britain is to maintain the status quo where that status is favorable to its ocean monopoly and to secure a favorable status where an unfavorable one exists. Is this a policy based on the interests of the world or on the interests of the British pocketbook?

At Paris on July 10, just a few days ago, there was held a meeting of the International Chamber of Commerce's council, at which resolutions were adopted on the subject of shipping measures. Note the reproduction of the British argument in the resolutions adopted, which read as follows:

"That the International Chamber of Commerce desires to call attention to the recent development in the various countries of the practice of flag discrimination and to record the conviction that such action is inimical to the prosperity of international commerce."

International commerce, so far as the carriage of the goods is concerned, be it noted, is more than half British. The resolutions continue:

"That the claim upon which such practices are based, namely, that the trade of any one country belongs to the mercantile marine of that country, is unsound and can not hope for acceptance by the commercial world in general, and that in times of peace the benefit of freedom of the seas can only be secured by equal opportunity in all ports for vessels of all flags."

WE DO NOT SEEK TO CARRY ALL OUR TRADE.

That these resolutions deal with our movement to aid our own shipping is not to be doubted. And here again we have the false claim advanced that we are seeking for our merchant marine the *entire foreign trade of our country*, whereas all

that we ask and all that we hope for is a fair share of that trade. What maritime nation seeks less?

The voice of the resolutions that I have just read may be *international*, but the accent is decidedly *British*. Are we to regard this as a step in a British campaign to arouse the other foreign maritime nations on the false charge that the United States seeks a monopoly of the ocean carriage of its exports and imports?

Moreover, these resolutions enunciate a false economic principle in denying that the trade of any one country belongs to its own merchant marine. Every country has a moral and legal right to carry its own commerce under its own flag if it desires to do so, without let or hindrance from anyone. Any other doctrine would be monstrous and absolutely subversive of the freedom of independent governments. The only question to be determined by a nation in establishing and regulating a merchant marine is one of practical business convenience and advantage.

SHALL WE RELY ON FOREIGNERS TO PROTECT US?

Is it for the best interests of the United States to permit foreign countries to furnish colliers and other supplements to our Navy, as was done during the famous world cruise of our battle-ships in 1908, or should we have a supply of all such vessels in our own merchant marine? Is it best for foreign ships to continue to carry 91 per cent of our vast overseas commerce, as was done for years prior to the late World War, or should we utilize the immense fleet we were forced by the exigencies of the war to build at enormous cost, when foreign shipping went to pieces, so as to make of it an effective aid to our Navy in time of need, and a carrier of a large percentage of our foreign trade? America makes but one answer to this question. Other nations must decide it for themselves as their respective interests dictate. Their right to do so is undoubted.

I have tried to outline the British case against the American merchant marine, as stated in British expressions of opinion.

There can be no stronger tribute to the efficacy of the measures which it is proposed to take to aid American shipping than the fact that our chief competitors on the high seas are so strongly opposed to having us adopt those measures. Every admonition, every warning, every threat, that comes from foreign sources argues the value of the legislation contemplated, from the American standpoint. If we fail to give the assistance needed to protect our merchant marine from extermination we shall be in the position of having yielded to the threats of our competitors.

FOUR PER CENT OF ENGLAND'S TRADE OUR SHARE.

Shall we be content to continue, as we are now doing, carrying 4 per cent of Great Britain's trade while she carries nine times that much of ours? Shall we be content to go on, as at present, carrying less than one-fifteenth as much of Britain's trade as she herself carries, while at the same time she is transporting a greater proportion of our foreign commerce than even we ourselves do?

In the face of these facts, what credit can be given to the repeated British assertions that we are seeking a monopoly of the carriage of our imports and exports? What we are seeking, and what every maritime nation is justified in seeking, is a fair share of the ocean transportation of the nation's foreign commerce, at least 50 per cent. Would Great Britain be satisfied with a smaller proportion of her trade? Her ships transport two-thirds of the commerce of Great Britain, nine-tenths of the trade of the British possessions, and nearly a third of the trade between all the other countries on the globe, trade in which the British ships engaged do not touch at a British port coming or going. Great Britain carries more than half of the sea trade of the entire world, according to the statement of an accredited committee of the British Government. Our share of this trade is undoubtedly well under 10 per cent. And yet Britain talks of our striving to secure a monopoly of our ocean commerce.

THE BRITISH GOVERNMENT'S OWN FIGURES.

Consider in this connection what is shown in the report for May last of The Trade and Navigation of the United Kingdom, prepared by the British Board of Trade and ordered printed by the House of Commons, the last month's record that I have found available. According to this official document the entrances and clearances at British ports of vessels carrying cargoes and engaged in the direct trade between Great Britain and the United States, including both exports and imports, totaled 1,428,000 net tons, of which 985,000 tons represented British vessels, as compared with 321,000 tons of American vessels and 122,000 tons of foreign ships. In other words, in our direct trade with Great Britain our ships carried only 22 per cent of the commerce as against 70 per cent for British vessels. And in

this same month, still according to the British official figures, only 25,000 tons of American vessels arrived at British ports from other than United States ports, and not a single ton of shipping under the American flag left the United Kingdom for any country save the United States. Is that monopoly? Is it a fair share of our trade for ourselves?

No; the boot is on the British leg. The monopoly is hers. More than a fair share is hers, and she is well satisfied to have the present arrangement continue, with American ships laboring under economic handicaps that make it impossible for them to compete with the foreigner in foreign trade.

It is well to consider how the American merchant marine which it is sought to establish permanently came into being. There is evident in some of the British opinions which I have quoted a tendency to profess that we are making an unkind return to Great Britain, for what? Well, we are told, for instance, by the Liverpool Courier that England "out of pure sentiment for America" agreed to a reduction of naval armaments, to an alteration of the Anglo-Japanese alliance, and that consideration for us has affected her handling of the Irish situation. I do not know in what respect, but there it is. And in return for all this we are told we have done "worse than nothing."

OUR FLEET BUILT TO AID ALLIES.

When we had entered the late war the cry of the British was for "ships, ships, more ships!" to repair the ravages wrought by the U-boats. A member of the British cabinet, Mr. Barnes, the labor representative, declared in Parliament early in 1918 that we were failing Great Britain and urged intensification of output. Our answer to these calls for aid is the great body of shipping to which it is now proposed to extend economic assistance that we may have a merchant marine worthy of our standing among the nations of the world. Shall we scrap it because Great Britain now discovers that she does not want the ships she called for to end the war and which played a part in accomplishing that?

The threats which so plentifully besprinkle the majority of the British opinions which I have cited I merely want to allude to in passing. The old bogey of retaliation has done service so long and has so often been shown to be a straw man that it is now nothing more than a badly worn piece of theatrical property. The methods that we have proposed to apply for the aid of the American merchant marine are, of course, open to any other maritime nation to adopt in aid of its own shipping if it sees fit, and we shall not complain. Our 4 per cent of the carrying trade of Great Britain, for instance, can not be whittled down much further without reaching the vanishing point, and under the present unprotected condition of American shipping it seems to be steadily slipping toward zero.

WAR WITH ENGLAND UNTHINKABLE.

Of the threats of war, whether discreetly or indiscreetly worded, I want to say still less. They are unworthy of their authors and very offensive to patriotic Americans. England tried coercion on America without success 146 years ago, when we had only 3,000,000 people, were much divided in opinion and action, and very weak financially. She could hardly expect better results by force at this time, as we now have forty times as many people, closely united in patriotic bonds, and with developed resources of every kind in proportion. War between the two countries is unthinkable, and no real patriot in either should contemplate it for a moment. The Englishman who talks of war, either actual or commercial, with the United States is a dangerous animal and should be muzzled.

No maritime nation can contemplate the possibility of conflict over the right of another maritime nation to handle a fair share of its own commerce, all bluff, bluster, and braggadocio to the contrary notwithstanding. We shall not be swerved from our just purpose by this, nor by propaganda, whether it be disseminated within the shadow of the Capitol or overseas.

OPPOSITION IS ANTI-AMERICAN.

Mr. President, I desire to say here and now, with all the emphasis in my power and with due respect for my colleagues in both Houses who differ in opinion, that a vote against the bill to aid the American merchant marine is a vote to aid Great Britain and to injure the United States, a vote to destroy, perhaps forever, our chances of an adequate place on the high seas.

In conclusion, I would ask just this:

Shall we play the game of our commercial rivals by stifling legislation to establish a merchant marine of our own for our national and industrial protection, when by so doing we would turn over to them the undisputed monopoly of the seas?

In a word, shall we allow Great Britain to dictate our sea policy and leave us in commercial bondage for generations to come? Shall we permit her to set up on the high seas a notice

reading: "British property! Americans keep off!" I say no, a thousand times no!

Mr. President, I ask unanimous consent that all quotations and extracts during the course of my remarks may be printed in 8-point type.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Without objection, it is so ordered.

THE MUSCLE SHOALS PROJECT.

Mr. KENDRICK. Mr. President, the chairman of our Committee on Agriculture and Forestry, the Senator from Nebraska [Mr. NORRIS], this morning submitted a report on the efforts of that committee to pass upon the question in connection with Muscle Shoals. I want to employ just a few minutes in explaining my attitude on that question.

As a member of the Committee on Agriculture I have exercised every diligence in an effort to inform myself as fully as possible concerning the Government's interest at Muscle Shoals. In doing this I have, in so far as other duties would permit, been a regular attendant at the committee's hearings and have carefully studied the several different propositions made to the committee for the purchase of Government property and the leasing of the power plant.

It was my privilege to accompany other members of the committee on an investigating trip to Muscle Shoals for the purpose of inspecting the work already done on Dam No. 2, together with the nitrate plant, the steam power plant, and the extensive construction of buildings. Both the amount of money expended and the various forms of construction involved in the Government's investment at Muscle Shoals preclude the possibility of finding an easy solution of the problem. The very nature of the development reduces its efficiency for industrial purposes, and to that extent decreases its commercial value. Here I want to attest to the unusually substantial character of construction involved in that part of the dam already completed, in the enormous steam plant located near by, and the tremendous buildings included in the great nitrate plants, as well as a great many of the hundreds of buildings used in housing employees.

Even a superficial study of the situation would compel the conclusion that the problem involved in the disposition or administration of Muscle Shoals is not a simple one. From my viewpoint the more haste employed in these negotiations the more wasteful will be the cost to the Government, and for this reason it has been my conviction from the start that the proper permanent solution required careful study and just as careful negotiation.

Upon one point there was complete concurrence on the part of every member of the committee, in so far as I know, who visited Muscle Shoals, and that was the unquestioned necessity of proceeding at once upon a plan to complete and equip Dam No. 2. Under the circumstances no other conclusion could have been reached. The investment already made involved about \$17,000,000; and while this did not include quite as much as half of the final amount required in the construction of the dam, the work already completed renders the balance of the construction, as stated to us by the engineers, very much less difficult than the original work. As the situation now stands we not only have this enormous investment, which is rendering no service to anyone, but a very extensive outlay in connection with preparation for continued construction in the way of necessary cofferdams and other improvements, all of which deteriorate very rapidly when unused.

This unsatisfactory situation is further complicated by the fact that at the beginning the construction necessarily discontinued or interrupted navigation on the river through the closing of locks which had previously been used; so we have the enormous investment already made in the dam serving no purpose, but actually obstructing the river. Therefore, among those who had an opportunity of personal inspection, so far as I know there was no difference of opinion, but there was a general agreement that Congress should at once appropriate funds for continuing the construction of Dam No. 2, and carry it on to its final completion. We were informed by the engineers in charge that it would require at least three low-water periods to complete this work.

In view of the fact that actual production must be contingent upon the completion of this dam, I have, as one member of the committee, been unable to believe that any useful purpose would be served by undue haste in concluding negotiations under which this great Government property is to be leased and permanently operated.

Among the several propositions submitted to the committee the one made by Henry Ford was, for many reasons, the most satisfactory in its provisions. The primary purpose of the Government in building this great dam was for the production

of nitrate to be employed during the emergency of war and for the more general and continued use in the manufacture of fertilizer. Mr. Ford proposes not only to produce annually a minimum amount of fertilizer containing at least 40,000 tons of fixed nitrate but to maintain the nitrate plants in first-class condition and deliver them to the Government in the emergency of war.

While Mr. Ford's offer of \$5,000,000 for the Government's investment, amounting, as I recall, to sixty-five or seventy-five millions of dollars, not including the dam, represents a very low junking value, from my viewpoint it was more satisfactory than any other offer received by the committee. I frankly confess that Mr. Ford's genius as an organizer or captain of industry prejudiced me very materially in his favor. As it appears, he not only makes a success of his enterprises but the benefits of that success are shared in by his employees and the entire community in which he is located. On account of such facts—and they seem proven facts—I was strongly prejudiced in favor of his proposition.

My principal objection to Mr. Ford's offer was the length of time stipulated as the shortest lease he was willing to accept, that of a hundred years. As is well known, there is a limitation of 50 years in our water power act; and I agree with the statement of the late Franklin K. Lane when he said, in effect, that we ought not to deny for a longer period of time than 50 years the right of those who come after us to pass upon the disposition of our natural resources; and I am inherently opposed to a lease that would have the force and effect of an actual transfer of control of this great power site to any corporation for a longer period of time than included in our water power act. For this reason I voted against the Ford proposition as it was made.

There are other serious objections to the Ford offer, but the length of the lease is fundamental. The condition under which the Government is required to turn over its interest in the Gorgas steam plant, situated 75 miles from Muscle Shoals, is, from my viewpoint, both inconsistent and unnecessary. This plant is so intimately connected with and even interwoven into the property of the Alabama Power Co. that it would be practically impossible, as I view it, to separate the one from the other. According to my information, it is also true that when the Government arranged for the use of this property during the war, one of the conditions named in the agreement with the Alabama Power Co. was that this company should have a preferential right to buy the Government's interest at the close of the war. If this information is correct it would be practically impossible for the Government to turn over its interest in this plant without a violation of good faith.

Then, again, Mr. Ford's offer provides for the payment to the Government of a fixed rate of interest on the additional or future cost of Dam No. 2, but does not include any income whatsoever upon the cost of construction up to date, amounting, as I understand it, to about \$17,000,000. In all probability the amount already expended has been on a higher cost basis than would be necessary under normal conditions; but even in such event the quality of the work is first class, and from my viewpoint there is no reason why anyone deriving the benefits of the great power plant should not pay for the amount already invested, less the excess cost due to war conditions. If, as an illustration, the construction to date has exceeded the normal cost by one-third, then this estimate might be taken on a basis of two-thirds; but, to place the proposition on a business basis, Mr. Ford's offer should include a payment of interest on the construction already completed, estimated at a normal cost.

The two last-named provisions, however, have to do entirely with a rate of income on an investment and involve only a matter of dollars and cents. The length of the lease involves with me a fixed principle, and if Mr. Ford's offer were modified to meet this condition I would be very glad, as one member of the committee, to vote for its approval.

THE MERCHANT MARINE.

Mr. CARAWAY. Mr. President, inasmuch as the whole day so far has been taken up in talking about matters not before the Senate, and yesterday was likewise devoted to the discussion of wholly irrelevant matters, I presume I am justified in believing that there is no further intent to press the pending tariff bill. I am not at all astonished that the proponents of it should have reached that conclusion, because they have even fallen out among themselves about the wisdom of going forward with it, and no two agree. If it is pressed to a conclusion we will reach the unhappy condition that there will be no two members of the majority party on speaking terms, and I do not want to see that happen if it can be avoided. Of course, I think it would be to the interest of the country, but there are some personal reasons why I hate to see them differ among themselves.

The Senator from Louisiana [Mr. RANDELL] read an essay here nearly three hours in length. When he got the floor, the Senator from Washington [Mr. JONES], who was his advance agent in that particular enterprise, suggested the absence of a quorum, and warned all of us that something of very great importance was to be said by the Senator from Louisiana. There were six Senators present when the Senator from Washington made the point of no quorum. When these found out what the subject matter was, there were three who stayed. One of them was in the chair; one had the floor; and they, together with the "watchdog" on the Republican side, who has to stay regardless of how much it affects him, constituted a very, very appreciative audience. I could tell from the contortions of their faces that they were enjoying it. They were trying, by looking sad, to keep from laughing.

This is what I wanted to say, and when I shall have said it I will be through. The Senator from Louisiana said that there was a pro-British party in this country trying to defeat the ship subsidy bill. Whenever a man gets a cause that is so bad that nobody will espouse it, he then tries to asperse the motives of everybody who disapproves it. Such an assumption as that expressed by the Senator is just as fair as an assumption that the Senator from Louisiana and the Senator from Washington, who are so actively pressing this matter, want to increase the amount of liquor that can be sold, because every ship that flies our flag is a saloon, and every ship that flies our flag will be a saloon as long as the present President is President and the present Attorney General is at the head of the law department. It is just as fair, then, to assume, it is just as near the truth, and everybody will come as near believing it, that the Senator from Washington and the Senator from Louisiana are running a propaganda to increase the number of barrooms in America, as to say there is a pro-British party that is trying to defeat this legislation favorable to a ship subsidy in the Senate, and therefore drive Senators into supporting this infamous measure.

I am weary of Senators bringing in measures which are so repellent, and trying to drive other Senators into supporting them, or at least not openly opposing them, by intimating that some foreign influences are trying to defeat them.

I spent the summer of 1918 in France, and I have heard more talk of German invasion here in the Senate since the tariff bill has been before the Senate than I heard of German invasion all the months I was in France. There are certain Senators who come on the floor only when schedules in which they are interested are to be discussed and voted upon, and say, "Oh, well, if you don't support my schedule you will have a German invasion." Now we have a British invasion of our shipping interests threatened.

It strikes me that when the time comes that nothing can be said for a measure except that some foreign interest is opposing it we have reached the end of argument, and the Republicans might just as well defeat this tariff bill to-day as to defeat it next week. They do not intend to vote for it. They do not want it. They may get it to conference, but the seat of any man who has to go to the people this year, and who votes for that bill, will not be worth a canceled postage stamp. They know it, and they do not want to vote on this matter; and long essays like the one read by the Senator from Idaho yesterday, who got up on a word and teetered like a boy on a sharp piling, and this long one to-day, do not fool anybody except the two Senators who read them. They are killing time and do not want to pass this measure.

It has gotten in the Senate so that Senators feel like a negro did down in my country one day when he was to be hanged. After the sheriff got him on the scaffold, he said, "Rastus, you have 20 minutes to make a statement if you want to make one." The negro said, "I don't know that I have anything to say." A lawyer standing by, who was as fond of talking as the junior Senator from Idaho is of speaking, and about as interesting, got up and said, "Well, if Rastus don't want to speak, I would like to have the time." The sheriff said to the negro, "Do you want to give your time to this lawyer?" The negro replied, "I don't know as I care, but if he is going to make a speech I wish you would hang me first."

So some Senator comes into the Senate with a stack of manuscript as thick as your two hands, rises with a solemn look, and everybody gets his hat and goes. Of course, if that is the way to conduct the Senate, the majority party has the opportunity to manifest to the country just how they think the pending legislation ought to be discussed.

AMENDMENT OF COTTON FUTURES ACT.

Mr. DIAL. Mr. President, it is generally believed that there is something radically wrong, and has always been wrong, in the method of marketing the cotton crop. The question is to

find the defect and to apply the remedy; both are apparent. The wrong is the indefiniteness in the contract and the remedy is to correct this.

The interest of the grower or owner of spot cotton and the interest of the buyer of a contract is identical until the time when the buyer of a contract disposes of it—both want the price to advance. The seller of the contract desires the price to decline, and when this takes place the price of spot cotton falls. There are only 10 grades of cotton tenderable under the law. I have no objection to increasing the number. The seller has the right to select whichever of these 10 grades he desires.

The futures market controls the price of spot cotton; therefore it is absolutely essential that such a contract be fair, equal, mutual, equitable, and just. The contracts are bought and sold on the basis of middling, and in case that grade is not delivered and some other grade is tendered the Secretary of Agriculture has the right under the law to fix the price of the other grades at the average price in 10 spot markets.

When maturity day is approaching the purchaser, not knowing within 10 grades of the quality of the cotton that will be tendered him, naturally sells out; hence the market is top-heavy. True, it can be said that there is a purchaser for every contract, but the fallacy of this argument is that he is not a purchaser at value when he does not know the quality or the grade he will receive, and he will only buy at a depreciated price. This might be unobjectionable between the purchaser and the seller, because each acts with his eyes open. My unending complaint is that such a system depresses and depreciates the price of the actual cotton and that the farmer has the brunt to bear. There is no similar custom or law in the world. This reverses the usages, laws, and customs of all business, and is an abrogation of the principles of common sense.

In 1920 there were grown in the United States 13,340,000 bales of cotton, and there were contracts sold on the New York and New Orleans exchanges alone for 128,907,500 bales, and during that time the actual number of bales delivered were 267,700 in New York and 106,600 bales in New Orleans. This is outside of the exchanges at Liverpool, Bremen, Havre, and other places. It is probable that every bale grown in the United States was sold on an average of twenty-five times over before it reached the consumer.

We all admit that overproduction depresses the price of a commodity; this being true, does not overselling have the same effect? Why should cotton fluctuate from \$1 to \$10 per bale in a single day? Goods sold at wholesale are sold on sample. Would any sensible person give as much for a contract for any commodity which could be delivered in 10 grades or classes, not knowing which of the 10 he would receive, as he would give provided he knew the exact quality he would get? For example: Suppose there were only 10 grades of hats or shoes allowed to be traded in by law and that contracts had to be on basis of the middle grade, with the right to the seller to select all the quantity in qualities he desired, would anyone give value for that kind of a contract? The proposition within itself is an absolute absurdity. The present law is a plan, or a system, or a scheme, or a method which deprives the grower of a tremendous proportion of the value of every pound of cotton he raises. By allowing this law to continue, Congress is unknowingly arrayed on the side of the bear against the producer. The present law is a great improvement over the former custom. Under that custom anyone of 32 grades were tenderable; this law reduced the number to 10. I am not complaining about the 10 grades, but there is too much latitude allowed the seller in filling each particular contract. They should be grouped. It took Congress exactly 30 years to get the law passed, to wit, from 1884 to 1914. I mention this to show the slowness with which Congress acts—and this must be said to its shame.

It is claimed by some that my amendment will injure the exchanges. This is not my purpose. I am endeavoring to pass a fair, just, equal, mutual, equitable, and honest law under which everyone must operate, and if the exchanges can not exist under this kind of a law, they can retire, so far as I am concerned. My complaint is the injurious effect of exchange operations on the price of spot cotton. We should be reminded, however, that there are no exchanges where coal, iron, steel, wool, and so forth, are traded in.

The wrong has been pointed out above and the remedy is suggested below, to wit:

Divide the 10 tenderable grades into three classes—high grades known as class A, medium grades as class B, and coarser grades as class C. This is similar to grain contracts.

My amendment requires the seller to be obligated to deliver one-third of his contract in the basic grade in each class and the remaining two-thirds either in that grade or in the other

grades enumerated in that class. This will make the contract elastic enough to encourage trading and at the same time definite enough to be practical and more valuable. By making the contract more valuable we help the price of spot cotton. No mill making one kind of thread or cloth can use all of the 10 grades of cotton. Furthermore, I am told an exporter receiving an order for one grade of cotton is allowed to fill it in either of the contiguous grades. I am also told that on the Liverpool Exchange the seller is allowed only three grades in which to deliver one contract.

I ask that the amendment to the pending tariff bill, which I submitted two days ago, be printed in the RECORD as a part of my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. DIAL to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, viz: On page 131, after line 20, insert the following:

That the second subdivision of section 5 of the United States cotton futures act, approved August 11, 1916, as amended, is amended to read as follows:

"Second. (a) Specify as the class of the contract one of the following classes:

"Class A, which shall include only middling fair, strict good middling, good middling, and strict middling grades:

"Class B, which shall include only strict middling, middling, strict low middling, and good middling yellow tinged grades:

"Class C, which shall include only strict low middling, low middling, strict middling yellow tinged, and good middling yellow stained grades.

"(b) Specify the basis grade for the cotton involved in the contract, which shall be one of the grades for which standards are established by the Secretary of Agriculture, and which shall be one of the grades included within a class in paragraph (a) of this subdivision; the price per pound at which the cotton of such basis grade is contracted to be bought or sold; the date when the purchase or sale was made; and the month or months in which the contract is to be fulfilled or settled.

"(c) If no other class is specified in the contract, or in the memorandum evidencing the same, the contract shall be deemed a class B contract.

"(d) If no other basis grade be specified in the contract, or in the memorandum evidencing the same, good middling shall be deemed the basis grade incorporated into a class A contract, middling shall be deemed the basis grade incorporated into a class B contract, and low middling shall be deemed the basis grade incorporated into a class C contract."

SEC. 2. That the third subdivision of section 5 of such act is amended to read as follows:

"Third. Provide that the cotton dealt with therein or delivered thereunder shall be of or within the grades for which standards are established by the Secretary of Agriculture, and of or within the grades included within the class so specified or incorporated as the class of the contract, and that cotton of any other grade or grades shall not be dealt with therein nor delivered thereunder."

SEC. 3. That the fifth subdivision of section 5 of such act, as amended, is amended to read as follows:

"Fifth. Provide that cotton that, because of the presence of extraneous matter of any character, or irregularities or defects, is reduced in value below that of strict middling in the case of a class A contract, strict low middling in the case of a class B contract, or low middling in the case of a class C contract, the grades mentioned being of the official cotton standards of the United States, or cotton that is less than seven-eighths of an inch in length of staple, or cotton of perished staple or an immature staple, or cotton that is 'gin cut' or reginned, or cotton that is 'repacked' or 'false packed' or 'mixed packed' or 'water packed,' shall not be delivered on, under, or in settlement of such contract."

SEC. 4. That the second paragraph of the seventh subdivision of section 5 of such act, as amended, is amended to read as follows:

"The provisions of the third, fourth, fifth, sixth, and seventh subdivisions of this section shall be deemed fully incorporated into any such contract if there be written or printed thereon, or on the memorandum evidencing the same, at or prior to the time the same is signed, the phrase 'subject to United States cotton futures act, section 5, class A,' if the contract is a class A contract, or the phrase 'subject to United States cotton futures act, section 5, class B,' if the contract is a class B contract, or the phrase 'subject to United States cotton futures act, section 5, class C,' if the contract is a class C contract."

SEC. 5. That the provisions of this act shall be effective on and after the thirtieth day after its passage, but such provisions shall not be construed as applicable to nor as affecting any right, power, privilege, or immunity under any contract entered into prior to such day.

CLAIMS AGAINST GERMANY.

Mr. KING. Mr. President, I did not hear the statement made by the able Senator from Alabama [Mr. UNDERWOOD] respecting the bill which he offered a few moments ago dealing with the property seized and held by the Alien Property Custodian, nor have I had opportunity to examine the bill which he offered; but I understand that the Senator from Alabama has just advocated that the property owned by German nationals and seized during the war be applied to the payment of claims of American nationals and the Government of the United States against the German Government. Whatever position the Senator from Alabama takes is bound to command the attention of the American people because of his great ability and his well-known integrity, and further because he is the leader of the minority in the Senate.

If I understand the position of the Senator, I am constrained to dissent therefrom, notwithstanding my great ad-

miration for him and my confidence in his leadership. I have opposed the policy of confiscation of the property of the nationals of Germany or Austria or any other of the countries with which our Nation was at war. I have been unable to support the view of some, that private property of Germans and Austrians, which was found in the United States at the outbreak of the war, should be applied in liquidation of claims which American citizens may have against the German or Austrian Governments. Undoubtedly the United States has the power to confiscate the seized property and to devote it to the purposes indicated in the Versailles treaty and the treaty between the United States and Germany. But in my opinion it would be immoral and violative of accepted principles of international law, and particularly that higher and nobler spirit of justice which should be the basis of modern international relations.

International law is not a fixed science. As the spirit of justice is developed among individuals and among nations, higher and nobler forms of law and international usage and comity are developed and applied. Municipal law should approximate the standard of justice and righteousness by which peoples should be governed. International law should likewise reflect the advancing ideals which should guide the conduct of peoples and nations in their dealings and relations with one another.

I concede that many nations, in former centuries, have confiscated the property of the nationals of powers with whom they were at war. Neither the persons of alien enemies nor their property were respected. The seized property was confiscated as a matter of course, and slavery was the fate of those persons who were taken prisoners. But as civilization advanced these cruel practices were abandoned and more enlightened and liberal policies were adopted. One of our greatest American poets, Amy Lowell, of Massachusetts, has stated that—

Civilization is the study of man about himself, his powers, limitations, and endurances; it is the slowly acquired knowledge of how he can best exist in company with his fellows on the planet called earth.

A narrow and provincial nationalism is not compatible with the liberal forces that are dominating the world nor the spirit of justice which in the end must control not only individuals but nations. We are developing a proper spirit of internationalism, and individuals with the highest patriotism feel deep concern in the welfare of other nations and in the progress and happiness of races and peoples of entirely different origin.

Trade and commerce are widening the interests of the people, and all who think are discovering the interdependence of individuals and of nations. The United States and its nationals have invested upward of \$20,000,000,000 in other countries. We have done it upon the strength of treaties and in reliance upon what we believe to be just and liberal principles of international comity. We have been able to differentiate between an individual and his government. We have perceived that war might be made upon a government and not upon some of the nationals of that government. That was Franklin's view when he negotiated a treaty with Prussia in the closing years of the eighteenth century. By that treaty American nationals found in Prussia, as well as their property, were immune from seizure in the event of war. And Prussians in the United States were likewise immune from seizure and their property was protected against sequestration or confiscation. Indeed, it was provided that the nationals of both countries could return to their respective countries and take with them all of their property.

This Republic in its early days contended for the inviolability of property of enemy nationals. During the Revolutionary War the fierceness of the conflict inflamed the people in the various colonies and local statutes were passed which confiscated the property of Tories. But Washington insisted, when these acts of confiscation were not rescinded and the States would not make compensation to the Tories for the property which had been confiscated, that the Federal Government should make payment therefor. His views found expression in the Jay Treaty, which was exceedingly unpopular when its terms were first made known to the American people. However, Washington triumphed and the treaty was ratified. Hamilton ably supported the position of Washington and contended with great ability in favor of the doctrine that the property of nationals should be inviolable, notwithstanding that war was waged between the respective Governments.

I stated a moment ago that we had distinguished between governments and the people of governments. That was clearly exemplified in the recent war. President Wilson pointed out that the United States was not warring upon the German people

but was waging war against the German Government and the Austrian Government.

Under treaties existing between the United States and Germany and the United States and Austria, Americans invested tens of millions of dollars in those countries, and Germans and Austrians invested large sums in the United States. The nationals of both countries profited by these investments. Millions of dollars were invested in the United States by Germans, as a result of the trade and commerce between the two countries. In other words, instead of taking money from the United States for products sold in American markets, American securities were purchased, or other forms of investments were made, to the mutual advantage of the nationals of both countries. I think it may be safely said that neither Americans who made investments in Europe, nor Europeans who have made investments in the United States, conceived it possible that in the event of war their investments in the belligerent country would be confiscated.

The United States has been the foremost champion of the policy of the inviolability of property. We have not only contended that property upon land should be immune from confiscation, but we have insisted that property upon the high seas, even if carried in the ships of belligerent nations, if it were not contraband of war, should be immune from seizure. We have opposed not only "land piracy," as Chief Justice Marshall denominated the seizure of the property of enemy nationals found upon land, but we have vigorously opposed "sea piracy."

Mr. President, the war is over, and attempts made to perpetuate bitterness and antipathies between the United States and Germany, or Austria, or any former enemy country, should be reprobated. What the world needs to-day is peace. We want international peace. The wounds of war should be healed and every possible effort made to remove the scars, and to bring about international fellowship and good will. I have felt for some time that the property which was seized by the Alien Property Custodian should be restored to the owners of the same. It is true that the Alien Property Custodian has disposed of much of the property seized and converted it into cash. The proceeds derived from the sale should be turned over to the owners of such property.

It is contended that some property sold by the Alien Property Custodian was disposed of at prices far below its actual value. I shall not enter into a discussion of that proposition now, but will only add that in my opinion some of the patents and trademarks, to which the Senator referred, and which were seized by the Alien Property Custodian were sold at prices which were merely nominal. I have contended that as to the sale to the Chemical Foundation, it was illegal, that the price was inadequate; that the Alien Property Custodian did not measure up to the requirements of a trustee; that the vendees were parties to the conspiracy to sell these patents and therefore acquired no indefeasible title; and that the Government should institute a suit to compel the Chemical Foundation to reassign the patents, copyrights, trade-marks, and so forth, to the Alien Property Custodian.

After the United States seized German property Germany seized some property belonging to Americans and which was found within the boundaries of the German Empire. However, Germany has restored a portion of the property seized and has signified its willingness to restore to Americans their holdings in Germany. I believe, however, that some money that was in German banks at the outbreak of the war, and which was seized, has not been restored to the American owners. Of course, our Government should demand that Germany immediately restore to Americans whatever property the German Government may have sequestered at the outbreak of or during the war. The German Government committed various torts against American nationals, for which it is responsible, and our Government should take immediate steps to compel Germany to pay our nationals whatever amounts may be due them, but we should not confiscate private property owned by Germans in order to settle claims of Americans against the German Government. Undoubtedly the situation calls for an international commission or some tribunal authorized to make full investigation as to the claims of Americans against Germany and to make awards thereon. But, I repeat, Mr. President, our Government can not afford to take any steps that will tarnish its honor or give justification for the contention that it has violated international law or wronged the nationals of any other country with whom it was at war.

A number of bills have been offered and are now pending before the Judiciary Committee dealing with the property of former enemy nationals. I have offered several bills, and these have been referred to the subcommittee of the Committee on

the Judiciary. Undoubtedly the bill introduced by the Senator from Alabama will go to the same subcommittee, and I shall be glad to have it considered when the bills which I have offered are taken up for examination by the committee.

THE TARIFF.

Mr. ROBINSON. Mr. President, what has become of the tariff bill?

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on agreeing to the amendment of the Senator from Arkansas [Mr. ROBINSON] to the committee amendment.

Mr. ROBINSON. Mr. President, I am surprised that the Presiding Officer had that information. I am surprised that anyone who has observed the proceedings to-day should know what the pending question is. We have had discussion of the shipping bill, of the disposition of alien property, of the Muscle Shoals controversy, and of many other subjects, but nothing said has related to the matter pending before the Senate.

Mr. McLEAN. Mr. President, Senators on this side of the Chamber are not responsible for that.

Mr. ROBINSON. My friend, the Senator from Connecticut, suggests that Senators on the other side of the Chamber are not responsible for the diversions which have occurred to-day, and I think he is correct. The other side of the Chamber has not been represented in the proceedings of the Senate to-day and is not represented now. No one seems to be taking any interest in the matter before the Senate.

Now, I realize that all these subjects are important and that in time they will have to be discussed, but a discussion of subjects which are not before the Senate usually does not accomplish any good. In the first place, the speeches are not listened to by Senators. In the next place, if Senators are attending to their duties they are contemplating the proposition that is pending rather than considering irrelevant subjects.

If this great tariff measure is a matter of such importance that it must be kept before the Senate to the exclusion of every other measure, let us confine our debate to the tariff bill, except, of course, for the consideration of emergency matters, and pass or defeat the tariff bill, and then take up something else. There is a growing element on the other side of the Chamber that does not want to vote upon the bill before the fall elections. I am not violating any confidence or revealing any secret when I make that declaration. The bill is going to be disposed of. It is not going to be sidetracked on the theory that the Democrats have filibustered against it to an extent that will prevent the Senate from disposing of it. We ought to vote finally on the tariff bill inside of three weeks.

Mr. SMOOT. I agree with the Senator.

Mr. ROBINSON. As soon as the wool schedule has been disposed of I shall be ready to place a limitation on debate, and I shall be ready to agree to a time to vote finally. Ample opportunity will be afforded to discuss the shipping bill when that bill is before the Senate. Full opportunity will be had to discuss the Muscle Shoals proposition when it is pertinent to do so. Recognition of the Oregon government, a purely executive function, which absorbed the attention of the Senate yesterday, of course can not properly be brought before the Senate. Everything except the pending proposition has been before the Senate this morning.

Mr. MOSES. Mr. President—

Mr. ROBINSON. I yield to my friend from New Hampshire. Mr. MOSES. I merely wish to point out to the Senator from Arkansas that he is in error in criticizing the Senator from Louisiana [Mr. RANSDELL]. We are considering the hemp schedule, and certainly the Senator from Arkansas knows that ships use cordage made of hemp.

Mr. ROBINSON. The brilliant and astute mind of the Senator from New Hampshire has performed an acrobatic feat and has discovered an intimate relationship between the hemp schedule and the shipping bill.

Mr. McLEAN. A regular Sherlock Holmes feat.

Mr. ROBINSON. Yes; Sherlock, with his Doctor Watson, would immortalize such a performance.

Mr. President, I hope the Senate may now get down to business and dispose of the tariff bill. That is the proposition before the Senate. It is true that from this side of the Chamber has come much of the irrelevant discussion which has occurred to-day, from Senators, however, who in the main have voted with the majority on the tariff bill, giving color to the suspicion that there is a growing purpose on the part of those who ostensibly favor the tariff bill to postpone the day of judgment respecting it. Well, Mr. President, we are going to vote on the

tariff bill, we are going to vote on the bonus bill, and then we are going to the country. God save the country!

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Nelson	Smoot
Broussard	Johnson	New	Spencer
Bursum	Jones, N. Mex.	Newberry	Stanley
Calder	Jones, Wash.	Nicholson	Swanson
Capper	Kellogg	Norbeck	Trammell
Caraway	Kendrick	Oddie	Underwood
Culberson	Keyes	Overman	Wadsworth
Cummins	King	Pepper	Walsh, Mont.
Curtis	Lenroot	Phlipps	Warren
Dial	Lodge	Rawson	Watson, Ga.
Elkins	McCumber	Robinson	Watson, Ind.
Fernald	McKinley	Sheppard	Willis
Hale	McLean	Shortridge	
Harreld	McNary	Simmons	
Heflin	Moses	Smith	

The PRESIDING OFFICER. Fifty-seven Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Arkansas [Mr. ROBINSON] to the committee amendment.

Mr. WADSWORTH. Mr. President, may we have the amendment to the amendment reported?

Mr. SMOOT. Mr. President, I ask that the glove paragraph be now taken up and disposed of. At the request of the senior Senator from Ohio [Mr. POMERENE] that paragraph was passed over yesterday, to be taken up to-day.

The PRESIDING OFFICER. There is a pending amendment before the Senate.

Mr. SMITH. The senior Senator from Ohio does not seem to be in the Chamber. I suggest that we go on with some other item in the flax and hemp schedule.

Mr. SMOOT. Very well; there is one other amendment relative to hackled hemp. We have not voted upon that yet. I also wish to offer an amendment. So I ask that the glove paragraph be passed over temporarily.

Mr. ROBINSON. That course is satisfactory to me.

The PRESIDING OFFICER. Without objection, the request will be granted.

Mr. SMOOT. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. The Senator from Utah proposes, on page 132, line 2, to strike out "including 'line of hemp.'"

Mr. SMOOT. Mr. President, I desire briefly to explain the amendment. I think no Senator will object to it. The words "line of hemp," we are informed by an expert, mean the same as hemp itself. If we have those words included in the paragraph, there would be a conflict as to what rate "line of hemp" would take. The hemp rate is 2 cents a pound. The rate on "line of hemp," as proposed by the House, would be a higher rate, and as reported by the Senate Finance Committee it would be 4 cents a pound. However, striking out the words "including 'line of hemp,'" will then impose a duty upon "line of hemp" or the hemp itself of 2 cents, as we voted last evening.

Mr. ROBINSON. The Senator's statement is that "line of hemp" means the same as hackled hemp?

Mr. SMOOT. No; not hackled hemp. Hackled hemp is the highest perfected hemp. That is the final process through which the hemp goes before going into the fiber of rope. I have here a letter addressed to the senior Senator from Wisconsin [Mr. LA FOLLETTE], and upon this letter, I will say to the Senator from Arkansas, the rate was fixed at 4 cents. However, that Senator came in later and asked that the rate be made 2 cents on hemp and hemp tow, but in reducing the rate the words "including 'line of hemp'" were not stricken out.

Mr. McCUMBER. I think the Senator should explain, so that all may understand clearly, that "line of hemp" is a lower process in the development of manufacture than the hackled hemp. In other words, the hackled hemp is ready for spinning.

Mr. ROBINSON. "Line of hemp" has gone through some process of manufacture?

Mr. McCUMBER. Oh, yes.

Mr. ROBINSON. What is the extent of that process?

Mr. SMOOT. Very little, I will say to the Senator, outside of simply the first process of getting the hemp itself ready, with the pulp and everything else in it. Until this morning I myself thought that "line of hemp" was the "hackled hemp."

Mr. ROBINSON. If the Senator will pardon me, in the act of 1909 it was so defined by paragraph 337:

Hemp and tow of hemp, \$22.50 per ton; hemp, hackled, known as "line of hemp," \$45 per ton.

Mr. SMOOT. That is as I have always understood it; but I have here a letter bearing on the subject, a part of which I will read in order that the Senate may understand the matter. This is a letter addressed to the senior Senator from Wisconsin [Mr. LA FOLLETTE] and is signed by A. H. Wright, secretary, Wisconsin Hemp Order:

Schedule 10 as amended states "hemp and hemp tow, 2 cents per pound; hackled hemp, including line of hemp, 4 cents per pound." This wording is confusing in that it evidently makes a distinction between hemp and line of hemp. To explain this I offer the following discussion of the several terms used:

(1) Hemp: This term when used alone in trade transactions refers to the long, straight hemp fiber which has been more or less cleaned by removing the woody portion. It is often called rough hemp, raw hemp, or scutched hemp, but in any case refers to a general class of hemp fiber which has been roughly prepared, but which is long and reasonably straight. In other words, it is a term used to distinguish the long, straight fiber from the tangled, more or less matted and short fiber known as tow.

Then as to "line of hemp" this letter states:

(4) Line of hemp: This term, which is used principally in the American trade, is synonymous with hemp proper. In other words, it is the straight, long hemp fiber as distinguished from the short tangled tow.

The proposed amendment will result in placing the duty on "line of hemp" at 2 cents a pound instead of 4 cents, as provided in the amendment originally reported to the Senate.

Mr. ROBINSON. That is, assuming that the committee amendment prevails?

Mr. SMOOT. Yes; assuming that the committee amendment prevails.

Mr. ROBINSON. The term "line of hemp" was used in the act of 1909 and in the act of 1913 in the same way as it is used in the bill as originally reported. I make no objection to the amendment which has been proposed by the Senator from Utah.

The PRESIDING OFFICER. The Chair will state that there is a prior amendment pending.

Mr. SMOOT. I ask unanimous consent that the amendment which I now suggest may now be acted on, for it precedes the amendment which is pending.

The PRESIDING OFFICER. In order that that may be done the Senator from Arkansas [Mr. ROBINSON] will have to withdraw his amendment temporarily.

Mr. SMOOT. I ask unanimous consent that the amendment which I propose may be acted upon before action is taken upon the amendment which is proposed by the Senator from Arkansas to the committee amendment.

Mr. ROBINSON. I have no objection to that.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on the amendment proposed by the Senator from Utah [Mr. SMOOT].

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the amendment proposed by the Senator from Arkansas [Mr. ROBINSON] to the amendment of the Committee on Finance. The amendment of the Senator from Arkansas to the committee amendment will be stated.

The READING CLERK. In paragraph 1001, page 132, line 3, in the committee amendment, before the words "per pound," the Senator from Arkansas proposes to strike out "4 cents" and in lieu thereof to insert "1 cent," so as to read:

Hackled hemp, 1 cent per pound.

Mr. ROBINSON. I understand that the Senator from Kentucky [Mr. STANLEY] desires to discuss the amendment.

Mr. SMOOT. That is also my understanding.

Mr. ROBINSON. The Senator from Utah might now have the cotton schedule disposed of, if he so desires.

Mr. SMOOT. Then, Mr. President, I ask that the Senate now return to the cotton schedule.

The PRESIDING OFFICER. The pending amendment to the committee amendment will be passed over.

Mr. ROBINSON. I make no objection to that.

Mr. LENROOT. Does the Senator from Utah desire to return to the glove paragraph?

Mr. SMOOT. I desire that the Senate shall now return to the glove paragraph.

The PRESIDING OFFICER. The amendment proposed by the Senator from Utah [Mr. SMOOT] to paragraph 914 will be stated.

The ASSISTANT SECRETARY. On page 128, after line 18, the Senator from Utah proposes to strike out paragraph 914 and in lieu thereof to insert a new paragraph, as follows:

PAR. 914. Gloves, composed wholly or in chief value of cotton or other vegetable fiber, made of fabric knit on a warp-knitting machine, if single fold of such fabric, when unshrunk and not sueded, and having less than 40 rows of loops per inch in width on the face of the glove, 50 per cent ad valorem; when shrunk or sueded or having 40 or more rows of loops per inch in width on the face of the glove, and not over 11 inches in length, \$2.50 per dozen pairs, and for each additional inch in excess of 11 inches, 10 cents per dozen pairs; if of two

or more folds of fabric, any fold of which is made on a warp-knitting machine, and not over 11 inches in length, \$3 per dozen pairs, and for each additional inch in excess of 11 inches, 10 cents per dozen pairs; made of fabric knit on other than a warp-knitting machine, 50 per cent ad valorem; made of woven fabric, 25 per cent ad valorem.

Mr. SMOOT. Mr. President, I merely wish to make a correction of a statement which was made last night under a misapprehension. I have been shown this morning an 11-inch glove that has been shrunk, and I sent for my magnifying glass in order to find out how many loops to the inch there are in that glove. I find that there are more loops than the 40 provided for in the amendment, but even though the number of loops were not 41 or 42, the glove having been shrunk, under the amendment it would fall in the higher bracket and bear the \$2.50 per dozen rate of duty, it being an 11-inch glove.

I am informed by the importer of those gloves that the price of the glove was \$2.10, foreign valuation. So evidently there are such gloves imported into the United States. That being the case, Mr. President, the rate imposed upon that particular class of gloves, if they came into this country, would be 119 per cent. I desire to make that statement now in order to correct the statement that was made in answer to a question which was asked by the Senator from Ohio [Mr. POMERENE] last evening.

Mr. POMERENE. I did not understand the figures as to the rate of duty which the Senator from Utah gave a moment ago. He said the duty would be what per cent?

Mr. SMOOT. I stated that the duty would be 119 per cent. The invoice price of this glove was \$2.10. That is a glove which has been shrunk, and it falls just over the line into the bracket where a duty of \$2.50 per dozen is provided under the amendment which I have offered. The price being \$2.10, on the foreign valuation, on a \$2.50 specific rate the ad valorem duty is 119 per cent. I simply wanted to make that correction. At the time the original statement was made I did not have a sample of such a glove and did not know there was such a glove imported into the United States at that price.

Mr. POMERENE. Under the \$3 rate provided here.

Mr. SMOOT. The rate proposed is \$2.50.

Mr. POMERENE. I understand that that is the rate now proposed, but I am referring to the provision as originally reported by the Committee on Finance. The rate originally reported would add about 20 per cent to the 119 per cent to which the Senator from Utah refers.

Mr. SMOOT. If that rate had been retained.

Mr. POMERENE. Yes.

Mr. LENROOT. I offer the amendment which I send to the desk to the amendment reported by the committee.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. At the end of the paragraph it is proposed to insert the following proviso:

Provided, That in no case shall the duty or duties imposed upon gloves in this paragraph exceed 75 per cent ad valorem.

Mr. LENROOT. Mr. President, so far as this paragraph is concerned, I think there is no question whatever but that a very substantial increase in the rate is justified when the importations and the present lack of domestic production are considered. The only question that is involved here, in my mind, is, How high a rate should we impose in this bill for the purpose of protecting American production?

I think we will all concede that rates can be made so high that the American people ought not to be taxed to maintain an American production of a given commodity. For instance, we would all agree, I think—I believe every member of the committee would agree—that if a commodity can not be produced in this country normally and steadily for less than 200 per cent in excess of what it can be produced for abroad, we are not justified in trying to maintain the production of that particular article in this country.

My amendment leaves the specific rates as they stand, with the proviso that no rate shall be in excess of 75 per cent.

The present rate is 35 per cent; so that my proposed amendment will provide more than 100 per cent increase over the rate in the Underwood law. The Payne-Aldrich rate was 50 per cent, and therefore my amendment would provide an increase of 50 per cent over the rate in the Payne-Aldrich law.

Mr. HITCHCOCK. Mr. President—

Mr. LENROOT. I yield.

Mr. HITCHCOCK. Will the Senator state at this point what the importations are which are threatening the American industry?

Mr. LENROOT. They are very large.

Mr. HITCHCOCK. I have not heard any authoritative statement as to how large they are.

Mr. LENROOT. I have not the figures here—the Senator from New York could probably give them—because I thought it was conceded that the importations were very large. Perhaps the Senator from Utah can give them.

Mr. SMOOT. I think the Senator from New York has the figures.

Mr. LENROOT. As to the particular gloves which the amendment would cover, I will say to the Senator from Nebraska that it is my understanding that the American production has practically ceased.

Mr. HITCHCOCK. The figures read last night indicated that the production in this country exceeded by about twice the importations over an average period.

Mr. LENROOT. Oh, no.

Mr. WADSWORTH. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LENROOT. I yield.

Mr. SMOOT. The American factories are closed down.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. LENROOT. I yield to the Senator from New York.

Mr. WADSWORTH. In reply to the observation just made by the Senator from Nebraska, the figures which were read last night went as far only as 1919. It is since then that the catastrophe has occurred.

Mr. HITCHCOCK. Then, we have not had the figures, and I think we ought to have the figures.

Mr. McCUMBER. Mr. President, we have the figures here for the nine months of the fiscal year 1922, and for that period the importations were 1,138,490 dozen pairs. That represents the importations merely for nine months of the fiscal year.

Mr. HITCHCOCK. So that the importations are something less than a million and a half pairs.

Mr. LENROOT. A million and a half dozen pairs.

Mr. McCUMBER. Not a million and a half pairs, but a million and a half dozen pairs.

Mr. HITCHCOCK. Now, what proportion of the consumption does that represent?

Mr. McCUMBER. The production is 1,300,000 pairs.

Mr. WADSWORTH. That was in 1918.

Mr. McCUMBER. That was in 1918, which is the last year for which I have the figures.

Mr. HITCHCOCK. So that the production is about the same as the importation.

Mr. SMOOT. No. The consumption is not about the same.

Mr. LENROOT. There is no production at all.

Mr. SMOOT. There is no production at all.

Mr. LENROOT. I have looked this question up very carefully and I have satisfied myself at least—

Mr. POMERENE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LENROOT. I yield to the Senator from Ohio.

Mr. POMERENE. I am able to give the importations for the first five months of this year. The general importations of cotton knit gloves in 1922, in January, were 104,304 dozen pairs; in February, 110,631 dozen pairs; in March, 173,462 dozen pairs; in April, 144,473 dozen pairs; and in May, 147,047 dozen pairs.

Mr. HITCHCOCK. That does not answer the question fully. Has that importation been going on at that rate for a number of years?

Mr. WADSWORTH. No.

Mr. HITCHCOCK. How does it compare with importations for other years?

Mr. LENROOT. There were practically no importations during the war. There were, I think, two factories producing these gloves during the war, and of course their product carried a very high price at that time; but during the last year I am satisfied that we were not able, with the present tariff rate of 35 per cent, to produce these gloves, and I find from the hearings that we are not in fact producing them at all. The Senator from New York will correct me if I am mistaken.

Mr. WADSWORTH. There is about a one-tenth production.

Mr. SMOOT. And the very glove manufacturers that made them during the war are importing them now to hold their own trade.

Mr. LENROOT. The testimony so discloses.

Mr. President, I am not making any point that the importations do not justify a substantial increase in duty. I do not even make the point that the 75 per cent maximum that I have proposed will be sufficient to put the American industry in production. The point I do make is that we ought not to tax the American people more than 75 per cent of the value of a

product for the purpose of maintaining American production of that particular article, and that is the only point that I do make.

To illustrate how this would operate: An importer, I will frankly say, sent me the samples of gloves that I hold in my hand. I have submitted them to the Senator from New York [Mr. CALDER], together with the tables, and he verifies the figures that I shall present.

Sample No. 1 is a cotton glove imported at \$2.10 per dozen pairs. With the present committee amendment rate applied there would be an ad valorem rate of 119 per cent upon that glove, whereas the present rate is 35 per cent. The Payne-Aldrich rate was 50 per cent.

Mr. SMOOT. And that glove retails at 50 cents a pair, or \$6 a dozen.

Mr. LENROOT. That is what the importer states. It is contended, however, that it retails for a higher price than that.

Mr. SMOOT. Yes; 75 cents.

Mr. LENROOT. The next sample is the glove that I hold in my hand, which was imported in March last for \$2.50 per dozen pairs. The proposed committee rate would be equivalent to an ad valorem rate of 104 per cent upon that glove. The present rate upon this glove is 35 per cent. The Payne-Aldrich rate was 50 per cent.

The next is the highest-priced glove that comes in this category. It was imported in March last for \$4 per dozen. With the rate proposed, the equivalent ad valorem would be 92½ per cent, as against a present rate of 35 per cent and a Payne-Aldrich rate of 50 per cent.

Mr. President, if this amendment be adopted, if the American manufacturer can bring down his cost to 75 per cent in excess of the foreign cost, he will be able to compete; but I am frank to say that if he can not do that, he would not be able to compete if my amendment be adopted. I propose the amendment upon the theory that upon an article like this, of general use throughout the country, used in every home in the land, we ought not to tax the American people more than 75 per cent to maintain the production of that particular article in America. So I offer the amendment.

Mr. SMITH. Mr. President, before this vote is taken I think it is very well for us to review what has been done, as it relates to this particular form of cotton manufacture.

All concede that even on the cloth, where we have provided for a duty on those goods made out of a staple of cotton that is not raised in this country, we have put a rate of duty that does not exceed 45 per cent. That applies to cotton goods made out of a type of cotton that is not produced in this country in sufficient quantities to meet the needs of this country. All will concede that certain specialties and novelties made abroad that are not made in this country are made out of that kind of cotton and imported here, and our rate of duty does not exceed 45 per cent. The yarns that are imported into this country, made out of that staple cotton, do not bear as high a rate of duty as that.

Now we have come to the simplest form of weaving known to manufacturers—the knitting process. Every man who is familiar with the conversion of cotton into the finished goods knows that the cheapest form of manufacture is either the cylindrical or the flat-knit weave. The process of making gloves, perhaps, is the cheapest of any process known at all. It is this: You have the cloth; you cut it out automatically by your design machine; you reverse the glove and stitch it up by machinery, and I believe the only handwork that is done on it at all is when you put the button on the wrist.

There you have the cheapest possible form of converting the raw material into the finished product. You can make the cotton goods out of the cheapest form of cotton—that is, in the case of the ordinary cotton glove—because you do not need to have the same twist that you do in producing cloth. It is a looser twist. It is a knitting yarn, not a weaving yarn. Therefore you take the lower grades of cotton and convert them into knitting yarn. You then knit the fabric by the cheapest known process.

There is something radically wrong somewhere when we come here and put a duty of 75 per cent upon the lowest grade of our cotton, to start with, in the bulk of the ordinary cotton glove, the cheapest form of converting the cotton into the yarn and the cheapest form of knitting that yarn into the fabric.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. LENROOT. My amendment does not propose a rate of 75 per cent. The lowest rate in the committee amendment is 25 per cent. My amendment merely proposes that in no case shall a greater rate than 75 per cent be imposed.

Mr. SMITH. It is that to which I am speaking—no greater. Then the classification of the goods will determine whether or not the duty shall reach that maximum. I understand that thoroughly. I claim that you have no rational basis for proposing even 75 per cent as your maximum, when on more difficult processes you have no such duty as that in the cotton schedule, and when this is the most notoriously cheap form in which you can accommodate the people with what in some cases is a necessity.

Mr. LENROOT. Mr. President, will the Senator yield once more?

Mr. SMITH. I yield.

Mr. LENROOT. The Senator will admit, will he not, that the 75 per cent maximum proposed is a 44 per cent reduction from the committee amendment?

Mr. SMITH. I am not taking the committee amendment as the basis of what I am saying. We are not here to base our reasoning upon what the committee has done; but if we have the facts on which to base our legislation for the American people, that is what you are here for, and that is what I am here for. It is not what the committee has brought in; it is what you and I, in sifting what the committee has brought in, find the facts to be. I am trying to give the Senate the facts.

We have a monopoly of the cotton that produces the bulk of these gloves.

Mr. CALDER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. CALDER. The Senator, of course, knows that there are four different brackets in this paragraph—

Mr. SMITH. Yes.

Mr. CALDER. And that the one with the highest rate—the 119 or 90 per cent, whichever it may be—refers to what we are pleased to call these so-called chamoisette gloves.

Mr. SMITH. Yes; I know. It is a new thing that has been brought in here.

Mr. CALDER. If the Senator will take the trouble to examine the material in the samples that I have here, he will find that it is one of the most beautiful pieces of cloth he has ever seen in his life.

Mr. SMITH. I know. I have been under the disastrous necessity of buying some chamoisette gloves for female members of my family.

Mr. CALDER. And if the Senator will examine the gloves made from this fabric he will find that they are also very beautiful things, gloves that any lady might be glad to wear.

Mr. SMITH. That is the reason why I am pleading now that these women of ours shall be allowed to buy them at a basis which reason would dictate.

Mr. CALDER. The Senator does not believe that the women of America would be agreeable to paying 4 or 5 or 10 cents more a pair to wear American gloves?

Mr. SMITH. It is not a question of paying that much more to wear American gloves. The question is, Are we justified in saying that America can not produce them without this duty? I am trying to show that we can.

Mr. CALDER. All right.

Mr. SMITH. That is what I am trying to do. You have a monopoly of the material out of which the bulk of the gloves are made, which is the finer texture of cotton, the bulk of which, perhaps, is made abroad. Then, when you get into the form of glove that takes on the nature of the lisle thread or imitation silk, you have to have a long, attenuated fiber that may be made from Egyptian cotton. That is the only place, outside of our protected Arizona cotton, where you can get that kind of cotton.

Mr. CALDER. That is correct; and these fine gloves are made of long-staple cotton.

Mr. SMITH. All right. In your cloth schedule, where the bulk of that cotton is used in the finer production of shirts in the form of mercerized cotton, you have not imposed a duty exceeding 45 per cent, and it is a more difficult weave, a more difficult twist, a more difficult process of manufacturing the cloth; and yet, when you come to the cheapest form of manufacture, the knitting process, in an article like this, you raise the duty 75 per cent higher than on goods that consume like fibers.

I am in favor of taking into consideration the fact that we have the material here for the bulk of the gloves, and are on all fours with the rest of the world in getting our material for the finer forms. In the case of all the other manufactures you have not raised the duty higher than 45 per cent; and why, should we go out of our way to give special privileges to those who produce this article over the man who produces the shirts and the underwear and the general bulk of cotton clothes that

the American people must consume? Lots of people want gloves, lots of people are entitled to have them, and the finer the better, and in all conscience, according to the cost of production, it is our duty to see that they shall have them as cheaply as possible, and yet these high duties are proposed now without any basis except that in an accident, in an emergency, some manufacturers perhaps have imported enough from abroad to last them a year or two, and now, if they can get this tariff up to 75 per cent, they can mulct the American people and make a fortune out of the gloves they have imported and stored up.

There is nothing in the statistics to show that up until this war emergency, right now, any such importations have come in. The rates of the Payne-Aldrich law and the Underwood law were ample to keep them down; but an accident occurred, and there was a dumping. Now, in place of putting on a real emergency tariff rate, you have put on an emergency tariff rate to last through the life of this bill. You have no justification for doing it.

If we did not have the facilities in America to compete with anyone in the knitting process, if we did not have the facilities and the raw materials it might lie in your mouths on the other side to stand here and protect the struggling American producer of the raw material against the foreigner and protect the struggling American operator in the mills against the foreigner; but you have the machinery and the raw material at your door, and you have already indicated that you do not care to go higher than 45 per cent on the very same kind of material being used in a more costly process of manufacture than this; and then you raise this duty, showing that you are taking care of a special class.

Mr. WADSWORTH. Mr. President, I call the Senator's attention to paragraph 913, in which the ad valorem duty on knit fabric, the very stuff of which these gloves are made, is put at 60 per cent.

Mr. SMITH. I was speaking of this knit fabric business in connection with the manufacturer's article. You have imposed a rate of duty out of all line with the other amendments provided.

Mr. WADSWORTH. The Senator has stated over and over again that no higher rate than 45 per cent is imposed.

Mr. SMITH. I mean outside of knit goods, the knit fabric. I was comparing the process of knitting with the process of weaving, and every man here knows that there is no comparison between the cost and difficulty of the one as compared with the other. Why that difference? We are being jobbed by the manufacturers. That is the difficulty. They have come in with a special plea on the theory that somebody has dumped in a few million pairs of gloves under a war emergency, asking for a special rate, both on the raw material and the finished product, to protect a cheap process of manufacture.

I maintain that the duty on this class of goods ought to be the lowest in the cotton schedule. It costs less to produce it, and less to manufacture it, than any other form you have. Yet you are making it the highest, taking care of a special class of manufacturers.

God knows I have nothing against the American manufacturer. I want to see him prosper. I want to see him prosper to such an extent that he can share his prosperity with the producer of the raw material in the cotton fields of America, and manufacture every pound of American raw cotton into American manufactured goods. But I do not want to see the vast mass of the American people held up in order to pour ungodly profits into the coffers of a very few who can manufacture these articles as cheaply as any foreign competitor, if not cheaper, and you have not a leg to stand on in urging this duty.

Mr. CALDER. Mr. President, the pending paragraph provides for a different rate of duty on four separate and distinct classes of cotton gloves, running from 25 per cent ad valorem on gloves made of woven fabric, 50 per cent ad valorem upon unshrunk and unsuëd gloves made on the warp-knitting machines, to \$2.50 per dozen pairs on suëd gloves, with an additional duty of 10 cents a dozen pairs for each inch in excess of 11 inches in length.

Let us see just what the production of gloves in the United States has been. Before the war we did not make any of these so-called suëd cotton gloves in this country. We knew nothing about it. The fabric from which they were made was a secret process known only to the manufacturers of England, who at that time were the sole producers of the cloth. If Senators will look at this material, they will find it is one of the finest finished fabrics that is made of cotton in this country, and so popular have become these gloves that very many women are wearing them in preference to those made of silk or kid. It is the general belief of many men who have studied this sub-

ject that in a very little while these cotton-fabric gloves will take the place of the kid glove, which is now so very expensive.

Let us see what the production was in this country at the beginning of the war. In 1914 we produced 50,000 dozen pairs of these gloves; in 1915, 200,000 dozen pairs; in 1916, about 500,000 dozen pairs; in 1917, a million dozen pairs; and in 1918, 1,300,000 dozen pairs. In 1919 the German producers in Saxony, where these gloves came from originally, began to revive their industry.

Let us see what the imports from Germany have been. In 1919 there was imported from Germany 812 dozen pairs only. Our own manufacturers had the market here. In 1920 there was imported 39,101 dozen pairs. In 1921, 537,000 dozen pairs. During the fiscal year 1921 the imports from Germany were 87 per cent of the total from all countries. Applying this percentage to the total imports of cotton knit gloves for the nine months of the fiscal year 1922, the imports were 990,000 pairs, or an equivalent of about 1,300,000 dozen pairs.

The Senator from South Carolina has talked about using American cotton. Let me say to him that practically all of the cotton from which this fine fabric is made which is used in the manufacture of these German gloves comes from the Egyptian fields. This cloth is manufactured in England and made into gloves in Germany. If we manufacture these gloves here, which we can do if the committee rates in paragraph 914 are approved, they will be produced of cotton raised in this country. I listened very attentively to the remarks made by the Senator from Wisconsin, who agrees that if we are to protect this business then, indeed, a fair and reasonable duty is needed. As I recall it, he said that the duty on the 11-inch glove was something like 119 per cent and upon the 23-inch glove about 90 per cent. I insist, Mr. President, that this duty is necessary if this industry is to be maintained. In the statement made by the Senator from Wisconsin [Mr. LENROOT] he quoted from information furnished him by Julius Kayser & Co., of New York, a most reputable concern of that city, in which he gave the foreign cost, duty, landing charges, and profits on imported gloves, with the equivalent ad valorem rates under the Senate bill. With these figures I agree, except as to the retail prices. Mr. Kayser's memorandum indicated that the 11-inch German-made cotton suëd glove, the import price of which he and I agree was 17½ cents a pair without duty, retailed for 50 cents a pair, while the facts are that these very same gloves are being retailed in Woodward & Lothrop's store on F Street, in this city, for \$1 a pair.

Here is a pair of gloves [exhibiting], just the same as the glove 11 inches long exhibited by the Senator from Wisconsin, that I purchased in Woodward & Lothrop's store last Saturday morning for \$1, and they were sold to Woodward & Lothrop by Mr. Kayser, and by him imported from Germany. Take the \$2.10 importer's cost on a dozen pairs of these gloves—and I am taking the figures of the Senator from Wisconsin—adding 35 per cent, on present duty, 15 cents for landed costs, and then 25 per cent profit for the importer, that glove should have been laid down here to the retailer for 31 cents. They cost me \$1 a pair. Under no circumstances could this price have been higher to the consumer even with the additional duty, provided the retailer charged a reasonable profit. In fact, even the higher rate should not bring the price to the consumer to more than 75 cents a pair.

Then the Senator referred to a longer glove, 23 inches in length. He did not quote the retail price in Mr. Kayser's memoranda, but he has just called it to my attention, and I note that it is \$1 a pair. Here is another pair of gloves that I bought in Woodward & Lothrop's last Saturday, purchased by that concern from the same importer, for which I was required to pay \$1.75. Based on the Senator from Wisconsin's own figures, prepared by Mr. Kayser, this glove, with duty paid and 25 per cent profit to the importer, in all probability cost the retailer about 65 cents, and I was required to pay \$1.75 for it. Certainly the present low rate is not conducive to very low prices for the ladies living in Washington who wear these gloves.

It seems to me that the gentlemen who come here and furnish figures to those who are opposed to the rates which the committee proposes ought to thoroughly inform themselves.

Mr. HITCHCOCK. Mr. President, will the Senator state whether the glove manufacturers can afford to manufacture a glove and have it sold at retail in this country at the price which the Senator paid?

Mr. CALDER. Oh, yes.

Mr. HITCHCOCK. So that the competition, so far as the retail market is concerned, is close—

Mr. CALDER. But for the fact that the American manufacturer is driven out of the wholesale market because of the

cheap foreign price, he could come in and compete with the retail price I have quoted without difficulty. Let me say to the Senator that if he will examine the figures he will find that this glove, with the duty paid which is provided for in the bill, and 25 per cent profit to the importer, can be purchased by the retailer for 82½ cents a pair. Surely the retailer could afford to sell them for \$1.75.

Mr. HITCHCOCK. Does the Senator think Woodward & Lothrop is the only firm that can import those gloves?

Mr. CALDER. Of course not.

Mr. HITCHCOCK. Can not any one of 10,000 people import gloves and sell them?

Mr. CALDER. Yes.

Mr. HITCHCOCK. And will not that competition level the price to the American consumer?

Mr. CALDER. Yes; but the facts are that the American consumer is not getting the benefit of this low rate of duty.

Mr. HITCHCOCK. But the importation of gloves is not limited to Woodward & Lothrop or to 10,000 people. Anyone can import gloves, so that you need not worry, as far as that is concerned, about the consumer.

Mr. McCUMBER. That pair of gloves cost originally 33½ cents a pair, and sold for \$1.75.

Mr. CALDER. Yes; I bought them myself.

Mr. McCUMBER. Of course, the duty of 35 per cent was added to it.

Mr. LENROOT. Mr. President, if this rate is imposed and this additional cost to the importer and wholesaler is imposed, why does the Senator say that the retailer will not increase the price of those gloves from \$1.75 by exactly the amount of the increase in the duty?

Mr. CALDER. Of course, Mr. President, that again depends upon the competition, as the Senator from Nebraska has said. Besides, as the Senator from North Dakota in a remark just made has indicated, the trade will not warrant raising the price of that glove beyond \$1.75. It competes at about that price with the silk glove, and it is getting up to the point where it is beginning to compete with the kid glove. That is about the limit of price the retailer can ask. I submit to the Senator from Nebraska that the retailer has gone to the limit in this case.

Mr. HITCHCOCK. Does not the Senator think it is an outrage on the consumers of the United States to double the tariff on 20,000,000 pairs of gloves which the people have to use? They are using 20,000,000 pairs of these gloves.

Mr. CALDER. Of these gloves [exhibiting]?

Mr. HITCHCOCK. Of gloves subject to this provision. As read by the Senator from Ohio, the imports at the present time, not taking into consideration local production, amount to 20,000,000 pairs of gloves a year. I am not talking about that particular style, but the gloves which are subject to the tariff in this provision, as stated by the Senator from Ohio from the figures furnished by the Tariff Commission. We are annually importing 20,000,000 pairs of gloves like that, and the Senator from New York says we are making about one-tenth of the capacity in America.

Mr. CALDER. We are not importing 20,000,000 dozen pairs of gloves a year.

Mr. HITCHCOCK. I did not say dozen; I reduced it to pairs, so that we can understand it. I say that the imports are 20,000,000 pairs of gloves a year.

Mr. CALDER. Yes.

Mr. HITCHCOCK. So that they are in general use. It is a common thing. Shop girls buy them, as well as the well-to-do women of the country. Poor women buy them, and poor men buy them, I suppose, if they are men's gloves. If they are women's gloves only, poor women buy them to the extent of 20,000,000 pairs a year, and does the Senator think he can justify to the American people raising the tariff duty over 100 per cent on an article of that sort, an article of such general consumption that 20,000,000 pairs a year are used? This is no luxury. This is a commodity of common use. People who can not afford kid gloves are wearing them. People who can not afford more expensive gloves are wearing them. They are among the cheapest articles of clothing, and this is a proposition to raise the duty to a point so that objection is made even when the Senator from Wisconsin wants to limit it to 75 per cent. I suppose the Senator from New York would have it put up to 100 per cent?

Mr. CALDER. Yes. And then they would be made in the United States and through competition sold for much less than those I have exhibited here to-day.

Mr. HITCHCOCK. Is there no limit to the taxes you are going to impose on the common American people who have to buy cheap things? Should they not be given some opportunity

once in a while to get something that is cheap? Have we always got to levy a tax on the articles the poor people have to buy?

Mr. CALDER. The trouble is we do not get them cheap. As the figures clearly indicate, the American people are not getting them cheap. Let me say to the Senator from Nebraska that these gloves can be manufactured here, a manufacturer's profit added, the retailer's profit added, with a duty as high as proposed in the bill, and sold without difficulty for \$1.25 a pair for the 23-inch glove.

Mr. HITCHCOCK. It can not be done if the Senator has his way and trebles the tariff on it.

Mr. CALDER. Oh, yes. Competition will take care of that. Now, with a low tariff of 35 per cent, provided the importer only took 25 per cent profit and considering every charge added to the glove, it was sold to the retailer for about 65 cents, and yet the American lady is compelled to pay \$1.75 a pair under this present low-tariff rate.

Mr. POMERENE. Mr. President, the Senator from New York has been contrasting the prices of certain goods which he exhibited and which are supposed to have come from Kayser & Co. The goods he displayed were said to have been sold at \$4 a dozen. Then he exhibited a long glove which he said retailed at \$1.75 a pair. Now, the Senator has not told us whether these are the same quality of gloves or not. Has he any information on that subject?

Mr. CALDER. None except that I have conferred with the customs experts and they say it is a character of glove that is in common use. Here [exhibiting] are the two pairs. The Senator from Ohio can compare them.

Mr. POMERENE. I perhaps would not know the quality of the cloth in the gloves if I should see them. It is a very easy matter to come here and exhibit one class of gloves and say that the purchase price is so much and the retail price is so much, when we do not know anything about the quality. This, however, is leading up to what I intended to suggest to the Senator.

Since the Senator made his statement I have been advised that the glove which the Senator has exhibited here, instead of selling at \$4 to the merchant, sold at \$8 a dozen. Does the Senator know whether that is correct or not?

Mr. CALDER. I did not say it sold at \$4 to the merchant. I said the imported price was \$4.

Mr. POMERENE. The imported prices, then. My information is that the price to the wholesaler was \$8 a dozen.

Mr. CALDER. If the Senator will permit me, in my estimate of the matter I figured the wholesale price ought to have been, giving the importer 25 per cent profit, about \$7 per dozen pairs.

Mr. POMERENE. We would have to have some expert to point out whether or not the quality of the glove was the same or not.

Mr. CALDER. I may say to the Senator that the figures were prepared for me by Government experts and that my figures are in substantial accord with the figures of the Senator from Wisconsin [Mr. LENROOT], and I have said so. His figures were prepared by an importer.

Mr. POMERENE. But has the Government expert told the Senator that he is dealing with the same quality of gloves all the time?

Mr. CALDER. I have not shown him the pair of gloves which I exhibited.

Mr. POMERENE. No; of course the Senator has not. That is where the slip is, I suspect.

Mr. President, while I am on my feet I wish to speak very briefly on this subject.

Mr. SIMMONS. Mr. President, before the Senator proceeds, will he let me ask the Senator from New York a question?

Mr. POMERENE. Certainly. I yield to the Senator from North Carolina.

Mr. SIMMONS. I would like to ask the Senator from New York whether he bought from Woodward & Lothrop any American gloves of a comparable quality and length?

Mr. CALDER. No; I did not.

Mr. SIMMONS. Does the Senator know or can he give us any information as to the retail selling price of the American glove comparable with the one he has exhibited?

Mr. CALDER. Of course, I can not, except that I can say that the figures furnished the Tariff Commission by the glove manufacturers of the United States indicate that the wholesale selling price per dozen of a glove of this character is \$11.75.

Mr. SIMMONS. For the American glove?

Mr. CALDER. Yes.

Mr. SIMMONS. That is the wholesale selling price; but the Senator is not able to give us the retail selling price?

Mr. CALDER. I will say to the Senator that there are very few of these sold.

Mr. SIMMONS. I want to ask the Senator, in purchasing the foreign-made glove for the purpose of exhibiting it here with the intent of showing the high price at which the foreign glove is retailing in the American market, why he did not at the same time try to buy at least a comparable glove of American make so that they might have been exhibited together?

Mr. CALDER. It did not occur to me. I sent my young lady secretary to the different stores in Washington to purchase the gloves.

Mr. SIMMONS. Does not the Senator know that the reason why this alleged cheap foreign article is selling in the American market for \$1.75 a pair is that the American-made glove is selling in the American market for that price or above that price?

Mr. CALDER. Of course, the Senator knows the retailer would take all the profit he could get.

Mr. SIMMONS. That is not the point. The point I am making is that the reason why the retailer charges this extortionate profit upon the foreign-made article is because he is able to get the like profit upon the American-made article.

Mr. CALDER. Very well; suppose that is the case?

Mr. SIMMONS. If that is the case, then no one is to be blamed for the high prices of the foreign product except the American manufacturer and the American retailer who sells the American article at those high prices. In other words, the maker in Germany is not to be blamed and the importer is not to be blamed if a high price is asked for the foreign articles by the retailer, if the retailer, selling the American product, charges a higher price.

I think he will find that as a rule the American article is selling at retail in this country at a higher price than the imported article. Now, suppose the American article in this market is selling for \$2 a pair. The Senator can not tell us whether it is or not. It might be selling for a little bit more, and because it is selling for this high price the retail merchant who buys the German article at a low price very naturally raises the price of the imported article up to what he can get for the domestic article.

Mr. WADSWORTH. Mr. President, will the Senator let me ask him a question right at that point?

Mr. SIMMONS. Yes.

Mr. WADSWORTH. Why is it, then, that the American factories are closed?

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from New York?

Mr. POMERENE. I have not yielded.

Mr. SIMMONS. If the Senator from New York will wait until I have an opportunity to discuss that question, I may be able to enlighten him to some extent as to why the American factories are closed where they are closed.

The PRESIDENT pro tempore. The Senator from Ohio has the floor and will proceed.

Mr. POMERENE. Mr. President, I wish to speak very briefly, and I desire to say preliminarily that I expect to vote for the amendment offered by the Senator from Wisconsin [Mr. LENROOT] to the amendment offered by the Senator from Utah [Mr. SMOOT].

I wish to assure Senators that I have no desire whatever to embarrass the glove business or any other business by anything that I may say or by any vote that I may cast, either on this item or any other item. I have the thought in my mind that when it comes to legislation of this character we should not entirely lose sight of the consumer when we are trying to benefit the producer.

The Senator from New York [Mr. CALDER] has referred to the profits that the importer would get or wanted. I suspect that is what he is in business for. I do not think that those who come here and ask for these high duties are inspired by a purely altruistic sense of the situation. Now, what is the situation?

Before I enter upon a discussion of the rates I want to say to the Senate that this morning I had a very interesting conference at my office. How they happened to come I do not know, but two manufacturers and a representative of a large concern that does both a manufacturing and an importing business came to my office at one and the same time, and shortly after they came one of the financial experts of the committee came to see me. So that I had the benefit of the combined wisdom of them all.

This is about the situation as I gleaned it in the conference: It is true that the business of manufacturing of suède gloves in this country is a good deal demoralized, but it is due in part

to this reason, in my judgment: It is only within the last few years that we have been manufacturing suède gloves. They were manufactured here when there was a substantial embargo upon the German suède gloves due to the war and to conditions succeeding. These gentlemen went into the business, I take it, to make money. They had charged the public an exorbitant price for their goods. That is my inference. At the same time there was a very great demand for the kind of labor that could do this sort of work, and as a result some of these gentlemen were paying the men who operated the machines over \$100 per week. Their costs, as they have given them to the Finance Committee and to Members of the Senate, have been based upon that exorbitantly high labor charge. Now it turns out that one of these companies made a reduction during the past year of 10 per cent in the wage paid and the other one about 15 per cent, he thought. At the same time it develops that the wage in Germany has been very much advanced during the last six or eight months. So that the prevailing economic conditions, taking into consideration the declining wage here and the increasing wage in Germany, all redound to the benefit of the American manufacturer.

Now, what is the situation? Under the Payne-Aldrich law there was a duty of 50 per cent ad valorem. Under the Underwood-Simmons law there was a duty of 35 per cent ad valorem. Under the bill as reported by the Finance Committee it was sought to place a duty of \$3 per dozen on these gloves. The committee come in now with an amendment to their original proposition reducing the duty to \$2.50 a dozen. Two dollars and fifty cents a dozen would amount to about 87½, on the average, per cent ad valorem, so the experts tell me. Many of the duties under this specific rate of \$2.50 per dozen will amount to 119 per cent ad valorem. So that, as a matter of fact, with conditions now becoming more favorable for the American manufacturer than they were, they are asking under the modified amendment an increase of the Underwood rate of two and one-half times or, in other words, 250 per cent over the present duty. Now, I submit that this is not quite the right time to make these exorbitant increases.

More than that—and I say this with all due respect to the gentlemen who came to see me, for they were all courteous—the very first thing to which attention was called was the difference in the wage scale prevailing here and in Europe, which must be considered, of course, in fixing the tariff. Again, they discussed the question of the declining value of the mark, which also must be taken into consideration. However, when I tried to find out what the wage cost per unit of production was, neither one of them knew anything about it. In other words, the question was put thus: "Assuming that there is a factory in Germany employing 100 people and a manufacturing plant in the United States employing 100 people, will the product in the American factory be more or less than the product in the German factory?" They knew nothing about it. That simply indicates that when manufacturers come here with a plea for exorbitant rates we must accept their statements of fact with a certain grain of allowance.

Now, let me call attention, if I may, to some figures that were presented to me. I also was presented with three samples of these gloves—sample 1, sample 2, and sample 3. I have an analysis of this situation to which I desire to call attention. The statement was made July 14, 1922. I may say that while these figures were left with me by one of these gentlemen I have since had them checked up by the expert who sits to my left; and while he did not go into all of the details—I did not ask him to do that—he has stated to me that the figures are substantially accurate; and I have no doubt about it as I examine them.

As to sample 1 [exhibiting], the foreign valuation in marks, reduced to American money, per dozen was, in 1914, \$1.13; in November, 1921, it was \$1.85; in March, 1922, it was \$2.10.

The retail price in 1914 was 25 cents per pair. At present it is 50 cents per pair. Under the proposed rate of \$2.50 per dozen, the retail price would be 75 cents per pair. In other words, the pre-war price is trebled.

Mr. CALDER rose.

Mr. POMERENE. I will yield to the Senator in just a moment. The pre-war price is trebled in considerable part because of the high rate of duty.

Mr. CALDER. Will the Senator yield right there?

Mr. POMERENE. I shall yield in just one moment. I wish to introduce in the RECORD the memorandum which I hold in my hand as a part of my remarks without reading.

The PRESIDENT pro tempore. Without objection, permission is granted.

The table referred to is as follows:

Comparison of foreign cost, wholesale selling price, and retail selling price—Computed on revised rate reported by Finance Committee of Senate July 12, 1922.

SAMPLE NO. 1—COTTON GLOVE (2414).

Foreign value in 1914—marks 5 less 5 per cent—\$1.13.
Foreign value November, 1921 (purchased in American money), \$1.85.
Foreign value March, 1922 (purchased in American money), \$2.10.
Retail price, 1914, 25 cents per pair.
Retail price at present, 50 cents per pair.
Retail price at proposed rate of \$2.50 per dozen, 75 cents per pair.

RATES OF DUTY.

Payne-Aldrich rate, 50 per cent.
Present rate, 35 per cent and 7 cents per pound.
Proposed rate, \$2.50 per dozen, equal to 119 per cent.

ILLUSTRATION OF INCREASED RETAIL PRICE.

Foreign value.....per dozen	\$2.10
Proposed duty.....do	2.50
Landing expenses.....	1.10
	4.70
Overhead and profit, 33½ per cent.....	1.57
Wholesale selling price (net).....	6.27
Retailer's usual overhead and profit, 50 per cent.....	3.13
Total (equals 78 cents per pair).....	9.40

Mr. POMERENE. I now yield to the Senator from New York.

Mr. CALDER. The Senator from Ohio has referred to the foreign cost of the 11-inch gloves which he has just displayed. I agree with the Senator as to that, and the table which I have from the Treasury experts gives the same information.

Mr. POMERENE. What I have stated as to the retail price is correct.

Mr. CALDER. I paid \$1 a pair on Saturday for the same kind and size of gloves.

Mr. POMERENE. Sometimes even a Senator from New York may be flimflammed. [Laughter.]

Mr. CALDER. That is true, and so may a Senator from Ohio be flimflammed as to the statistics furnished him.

Mr. WADSWORTH. May I ask the Senator from Ohio if he purchased the pair of gloves which are now in front of him?

Mr. POMERENE. No, Mr. President; I am afraid I should have been victimized, as was the Senator from New York, if I had gone to the store.

Mr. WADSWORTH. Does the Senator know how much was paid for the pair of gloves that he has in front of him?

Mr. POMERENE. I do not.

Mr. WADSWORTH. Then the Senator from Ohio has no evidence on that point?

Mr. POMERENE. I have none at all; I am accepting the statements that are made here, which correspond, I think, with those that have been made heretofore.

Now, let me take the second sample [exhibiting]. The foreign value in 1914 was \$1.38 per dozen; in November, 1921, it was \$2.25; March, 1922, it was \$2.50. The retail price in 1914 was 35 cents per pair; at present it is 69 cents per pair; and under the proposed rate of \$2.50 per dozen, up to the 11-inch length, the price would be 87 cents per pair. I ask to insert this statement also in the RECORD.

The PRESIDENT pro tempore. Without objection, permission is granted.

The statement referred to is as follows:

Comparison of foreign cost, wholesale selling price, and retail selling price, computed on revised rate reported by Finance Committee of Senate July 12, 1922.

SAMPLE NO. 2, COTTON GLOVE (2484) 12 INCHES LONG.

Foreign value in 1914, \$1.38.
Foreign value November, 1921, \$2.25 (purchased in American money).
Foreign value March, 1922, \$2.50 (purchased in American money).
Retail price 1914, 35 cents per pair.
Retail price at present, 69 cents per pair.
Retail price at proposed rate of \$2.50 per dozen up to 11 inches in length, plus 10 cents per dozen for each inch in excess of 11 inches, 87 cents per pair.

RATES OF DUTY.

Payne-Aldrich rate, 50 per cent.
Present rate, 35 per cent and 7 cents per pound.
Proposed rate, \$2.50 per dozen up to 11 inches in length, plus 10 cents per dozen for each inch in excess, \$2.60, or 104 per cent.

ILLUSTRATION OF INCREASED RETAIL PRICE.

Foreign value.....	\$2.50
Proposed duty (glove is 1 inch in excess of 11 inches).....	2.60
Landing expenses.....	1.10
	5.20
Overhead and profit, 33½ per cent.....	1.73
Wholesale selling price (net).....	6.93
Retailer's usual overhead and profit, 50 per cent.....	3.47
Total (equals 87 cents per pair).....	10.40

Mr. POMERENE. I also have sample No. 3. The foreign value in 1914 was \$2.03 per dozen. I may say that this is a glove 23 inches in length; November, 1921, the foreign value was \$3.75 per dozen; in March, 1922, it was \$4 per dozen. The retail price in 1914 was 50 cents per pair; at present the price is \$1 per pair, and under the \$2.50 per dozen proposed rate the price would be \$1.30 per pair. I ask that the table may be incorporated in the RECORD.

The PRESIDENT pro tempore. Without objection, permission is granted.

The table referred to is as follows:

Comparison of foreign cost, wholesale selling price, and retail selling price, computed on revised rate reported by Finance Committee of Senate, July 12, 1922.

SAMPLE NO. 3—COTTON GLOVE (2414/16), 23 INCHES IN LENGTH.

Foreign value 1914, \$2.03.
Foreign value November, 1921, \$3.75 (purchased in American money).
Foreign value March, 1922, \$4 (purchased in American money).
Retail price 1914, \$0.50 per pair.
Retail price at present, \$1 per pair.
Retail price at proposed rate of \$2.50 per dozen up to 11 inches, plus 10 cents per dozen for each inch in excess of 11 inches, \$1.30 per pair.

RATES OF DUTY.

Payne-Aldrich rate, 50 per cent.
Present rate, 35 per cent plus 7 cents per pound.
Proposed rate, \$2.50 per dozen up to 11 inches in length plus 10 cents per dozen for each inch in excess of 11 inches equals \$3.70 equals 92½ per cent.

ILLUSTRATION OF INCREASED RETAIL PRICE.

Foreign value.....	\$4.00
Proposed duty (12 inches in excess of 11 inches).....	3.70
Landing expenses.....	1.10
	7.80
Overhead and profit (33½ per cent).....	2.60
Wholesale selling price (net).....	10.40
Retailer's usual overhead and profit (50 per cent).....	5.20
Total (equals \$1.30 per pair).....	15.60

Mr. POMERENE. Mr. President, although I stand ready to vote for an increase in the rate of duty, so far as this particular branch of industry is concerned, over the rate provided by existing law, because I want to be on the safe side, yet I can not conceive why it is necessary to insist on these exorbitant rates. Bear in mind that the glove industry is not a new industry here. When it comes to cotton gloves, we manufacture them in a number of sections of the country and are doing so successfully. I do not think that the manufacturers are seriously afraid of foreign competition. I have a statement before me applying to silk gloves which indicates very clearly that we are selling many silk gloves in foreign markets. The glove manufacturers of the country know the glove industry; they are not very much disturbed about those classes of gloves; but when it comes to the suede gloves, they came here and, in the first place, wanted a duty of \$3 a dozen; and notwithstanding the fact that the Finance Committee had been swallowing exorbitant rates on the products of nearly every line of industry, they could not retain that \$3 a dozen rate of duty upon their stomachs. Now they come in here and consent to the rate being decreased to \$2.50 a dozen. I am thankful for that much of a concession; but it seems to me that even the highest protectionist in the land ought to be satisfied with the 75 per cent limitation which is placed upon the duty on these gloves by the proposed amendment of the Senator from Wisconsin [Mr. LENROOT], which is more than two times the present rate.

Mr. WALSH of Montana. Mr. President—

Mr. POMERENE. I will ask the Senator to pardon me for just a moment. The Senator from South Carolina a moment ago referred to the cost of material and the advantage that we had in this country over the foreign competitors. Everyone has got to admit that to be so. I now yield to the Senator from Montana.

Mr. WALSH of Montana. I understood the Senator to say that the gentlemen, experts in the business, who had conferred with him were unable to give him any information as to the proportion of the total cost that is assignable to labor in the manufacture of the gloves. I should like to know from the Senator if the labor cost can possibly reach as high as 75 per cent?

Mr. POMERENE. Mr. President, I do not think that is possible.

Mr. WALSH of Montana. That is to say, the 75 per cent rate proposed would, in the judgment of the Senator from Ohio, more than equal the total labor cost?

Mr. POMERENE. There can be no question as to that. I have some figures here which I shall give to the Senate in just a moment, bearing upon that question. The Senator from Montana, however, has not quite accurately stated my position. What I intended to say, at least, was that they were

unable to tell me what the wage cost was per unit of production; in other words, they did not know whether our labor was more or less efficient than the German labor.

Mr. WALSH of Montana. Per unit?

Mr. POMERENE. Yes.

Touching somewhat upon the question which the distinguished Senator from Montana has just put to me, I have a table here prepared by the experts going into the question of cost. It is a comparison of American and German manufacturing costs for 1921 of warp-knit or chamoisette cotton gloves. The table itemizes the costs when the glove is made out of the unshrunk yarn and also when the glove is made out of the shrunk yarn. It gives the cost of knitting, dyeing, finishing, the total cloth cost, the cost of other material, clasps, and so forth, total material cost, overhead cost, and labor cost. I wish to give to the Senate a few of these figures.

The total material cost to the American manufacturer is 45.10 per cent, but the total cost of this same material to the German manufacturer is 73.62 per cent. So it appears that from the material standpoint our manufacturers have a very great advantage over the German manufacturers.

Now I come to the labor involved in making the gloves. In the American market this labor is 35.92 per cent of the total cost, while in Germany it is 17.44 per cent.

Mr. President, I ask that this table may be inserted in the RECORD as a part of my remarks, without reading the whole of it.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table is as follows:

Warp-knit or chamoisette cotton gloves (comparison of American and German manufacturing costs, 1921).

	Costs per dozen pairs.		Per cent of total cost.	
	American.	German.	American.	German.
Unshrunk (average of 3 companies):				
Yarn.....	\$0.91	\$0.72		
Other cloth expense (knitting, dyeing, finishing).....	.73	.43		
Total cloth.....	1.64	1.15	33.47	48.94
Other material (clasps, etc.).....	.57	.58	11.63	24.68
Total material.....	2.21	1.73	45.10	73.62
Overhead.....	.93	.21	18.98	8.94
Labor, in making glove.....	1.76	.41	35.92	17.44
Total.....	4.90	2.35	100.00	100.00
Shrunk (average of 4 companies):				
Yarn.....	1.16	1.05		
Other cloth expense (knitting, dyeing, finishing).....	1.02	.69		
Total cloth.....	2.18	1.74	38.58	54.89
Other material (clasps, etc.).....	.64	.61	11.33	19.24
Total material.....	2.82	2.35	49.91	74.13
Overhead.....	1.00	.29	17.70	9.15
Labor in making and packing glove.....	1.83	.53	32.39	16.72
Total.....	5.65	3.17	100.00	100.00

Mr. POMERENE. The figures that I have given are of gloves made of unshrunk yarns. I have substantially the same items of cost when the gloves are made out of shrunk yarns.

The total material cost of these yarns to the American manufacturer is 49.91 per cent, but the total material cost to the German manufacturer is 74.13 per cent. The total labor cost involved in making and packing the gloves is 32.39 per cent to the American manufacturer; to the German manufacturer, 16.72 per cent.

Mr. CALDER. Mr. President—

Mr. WALSH of Montana. Mr. President, it appears, then, that the German manufacturer has an advantage over the American manufacturer in respect to his wage costs.

Mr. POMERENE. Of about 50 per cent.

Mr. WALSH of Montana. It appears that the American manufacturer has an advantage over the German manufacturer in respect to his material costs.

Mr. POMERENE. Of nearly 25 per cent.

Mr. WALSH of Montana. Let me ask the Senator, how do the two balance? What is the total cost to the American manufacturer as against the total cost to the German manufacturer?

Mr. POMERENE. This is made out on a scale of 100, so that I am not able to give that. Just a moment.

Mr. CALDER. I was going to ask the same question.

Mr. POMERENE. Pardon me just one minute. I think I made a misstatement a little while ago when the Senator asked me as to the total cost. I will say that this is the average of four companies. The yarn cost per dozen pairs to the American is \$1.16, to the German \$1.05. Other cloth expense—knitting, dyeing, and finishing—to the American is \$1.02, and to the German 69 cents; making a total cloth cost to the American of \$2.18, and to the German manufacturer of \$1.74. The cost of other material, clasps, and so forth, to the American is 64 cents, to the German 61 cents. Total material cost to the American manufacturer, \$2.82; to the German manufacturer, \$2.35. Overhead expense: American, \$1; German, 29 cents. Labor in making and packing gloves: American, \$1.83; German, 53 cents; making the total cost to the American \$5.65, and to the German \$3.17. I may say that this was during the year 1921.

Mr. WALSH of Montana. Apparently, then, a 50 per cent duty would more than take care of the difference.

Mr. POMERENE. I should think so.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. POMERENE. I yield.

Mr. LENROOT. A 50 per cent duty?

Mr. WALSH of Montana. Three dollars and seventy-five cents to five dollars and odd.

Mr. LENROOT. Three dollars and seventeen cents.

Mr. POMERENE. Three dollars and seventeen cents to five dollars and sixty-five cents.

Mr. CALDER. May I suggest that on the Senator's own figures the difference in the production cost is \$2.48?

Mr. POMERENE. These are not my figures. They are figures that are furnished me by the expert.

Mr. CALDER. I beg the Senator's pardon; the figures the Senator has read.

Mr. POMERENE. Yes.

Mr. President, I also have here a table which shows a comparison of the costs under these several brackets between paragraph 914 of the Senate bill, the act of 1913, and the act of 1909. Without taking the time to read it, I desire to call attention to these facts:

Under the act of 1909 the duty was 50 per cent. Under the act of 1913 it was 35 per cent. Under the Senate bill the specific rate of \$2.50 reduced to an ad valorem rate would be about 100 per cent. That, of course, is an average, and it would vary in accordance with the value or quality of the articles imported.

Mr. President, I ask that this table also may be incorporated in my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table is as follows:

	Senate bill (par. 914).	Act of 1913 (par. 280).	Act of 1909.			Imports.
			Ladies' gloves (par. 324).	Not over \$6 per dozen (par. 328).	Over \$6 per dozen (par. 328).	
Warp-knit or chamoisette gloves:						
Single fold, not shrunk or sueded.....	50 per cent ad valorem.....	35 per cent.....	50 per cent.....	50 cents per dozen and 40 per cent.....	50 per cent.....	Large, mainly ladies' gloves.
Single fold, shrunk or sueded.....	\$2.50 to \$3.70 per dozen pairs.....	do.....	do.....	do.....	do.....	
Two or more folds.....	\$3 to \$4.30 per dozen pairs.....	do.....	do.....	do.....	do.....	
Lisle gloves.....	50 per cent ad valorem.....	do.....	do.....	do.....	do.....	Very small.
Ordinary knit gloves for policemen, firemen, elevator boys, etc.....	do.....	do.....	do.....	50 cents per dozen and 40 per cent.....	50 per cent.....	Do.
Work gloves, used in husking, etc., made of woven (not knit) cloth.....	25 per cent ad valorem.....	do.....	do.....	do.....	do.....	None, usually.

Imports are mainly ladies' chamoisette gloves, sueded, averaging \$2 to \$3 per dozen pairs. On these the rates compare as follows: Act of 1909, 50 per cent; act of 1913, 35 per cent; Senate bill, 100 per cent (estimated average).

General imports of cotton knit gloves in 1922.

	Dozen pairs	Value.	Value per dozen.
January.....	104,304	\$188,488	\$1.81
February.....	110,631	236,777	2.14
March.....	173,462	434,729	2.51
April.....	144,473	369,651	2.55
May.....	147,040	366,910	2.50

Mr. POMERENE. Mr. President, I regret exceedingly that the Finance Committee has not seen its way clear to reduce this rate very substantially below the figure of \$2.50 per dozen. I think that the amendment offered by the Senator from Wisconsin [Mr. LENROOT] will give ample protection to these people, particularly in view of the favoring conditions which seem to be before us, and I am quite sure that it will substantially lessen the cost of these gloves to the consumer.

Mr. WADSWORTH. Mr. President, there were a very few matters which I took the liberty of bringing to the attention of the Committee on Finance with what might be termed "extreme emphasis." One of them was the condition of the glove industry in the United States. A goodly portion of that industry is, or was, operating in the State of New York, and with some of the communities in which it is situated I am familiar. I think I am not inaccurate when I say that of all the industries as to which I have any information worthy of recounting, the glove industry, with the exception of certain elements of it which need not be adverted to upon this occasion, has been in the most desperate condition. I make the one qualification—all that I know about.

There are three or four communities that I can recollect at present in the State of New York alone in which knit cotton gloves are made or were made. Two years ago the industry was thriving. It had been built up, it is true, during the war. It is not true that they charged exorbitant prices for the goods which they produced during the war, unless we reach that conclusion by a mere comparison of the prices of all articles during the war with the prices of all articles produced before the war and say that every increase was exorbitant. As a matter of fact, the prices of these gloves during the war had not increased by any greater percentage than the prices of other articles used commonly by human beings; but, dating from a year and a half or two years ago, a complete blight has crept over this industry. All last winter in more than one community the artisans who had been employed were standing in bread lines, and charitable organizations—and I speak the literal truth—were supporting scores and scores of families whose wage earners had lost the opportunity to earn a penny.

Reference has been made here somewhat rashly and recklessly by those, of course, who desire to impugn the motives of everybody who asks for a protective tariff, to the "grasping, greedy habits" of the glove manufacturer, and it has been asserted that the duties proposed by the Senate Committee on Finance were for the purpose of filling his pockets and bloating his bank account and making him inordinately rich. Of course, that is a familiar piece of tactics. We hear it very often; but the truth of the matter is that the manufacturers of cotton gloves are broke. Their mills are closed. Their men are walking the streets, and have been for months and months, and the proposal of the Committee on Finance is that something shall be done to preserve the industry from permanent destruction.

A lot of questions have been asked as to the importations of gloves, and some figures have been given. A good many questions have been asked as to the consumption of these particular gloves in this country, and figures have been given upon that. It is very easy to understand what the consumption is. If you will add the domestic production to the importations, you will find the number of gloves that are used in the United States in one way or another. Of course, the truth is that to-day hardly any gloves of that character are made in the United States. One of these manufacturers told me the other day—and he is one of the smaller manufacturers—that about one-tenth of the men that were formerly employed when the industry was running at full blast are now employed at part time, or upon some special kind of work which will keep them together and give them a little to live on.

The Senator from Ohio [Mr. POMERENE] has, I think, almost proved the case. He has quoted the costs of a German-made glove and of an American-made glove; and it is shown by his own figures—which are the official figures, I may say, and I think accurate—that the difference in cost is \$2.48 per dozen pairs; that is, for one type of glove.

The original suggestion of the committee was that these gloves should bear a duty of \$3 per dozen pairs. The domestic production has been almost entirely destroyed, and the importations are practically supplying the overwhelming portion of the domestic demand. It is asserted that a duty of \$3 per dozen pairs is grossly excessive, and that even \$2.50 per dozen pairs is grossly excessive. That same old fallacy is indulged in, to the effect that if we place a duty upon the finished manufactured product, the amount of that duty will be instantly added to the retail price of the article in our shops and stores, an assertion which can not be borne out by any study of the history of a tariff, or of the importation and selling of any foreign article through any period or term of years.

The most astonishing instance to disprove that theory came to my attention only the other day, which went to show me what I think it will show anyone who will think twice about it, that when the foreigner has a monopoly of the American market the price stays high; that when the foreigner has been able to destroy an American industry and get complete control of the American market, the American purchaser, or the so-called ultimate consumer, never gains by the process. If by any means the foreigner gets a monopoly of the American market I hold that same assertion is true, and I cite the case of salvarsan, commonly known as "606," a very well-known medicine.

Prior to the war that medicine was being sold to the people of the United States at \$4 per dose. It was a German monopoly. No one else could make it. There was no competition from American manufacturers or from anyone else. To-day, as the result of the breaking down of the German competition and the ability of the American to enter the field, with no favors, and compete against the imported article, that medicine is selling, instead of \$4 a dose, for 40 cents a dose. That illustrates, I think, conclusively the point I want to make.

Mr. POMERENE. In this connection, is it not true that the German manufacturers were those who fixed the price in this country?

Mr. WADSWORTH. They were; and there was no competition against them. That is just what is going to happen in the case of cotton knit gloves. If the industry is destroyed, the plants dismantled or changed completely so as to be used for some other purpose, the capital diverted, and nothing but the foreign glove left to come in, of course the foreigners will name the price, and they will name a price as high as the market will stand. They are doing practically that to-day, or they are coming so close to it that the signs are ample to show what will happen in the near future if this goes on.

My colleague has set forth the situation concerning the fate of the purchaser who goes into a store to-day to buy such gloves as he has exhibited. It is shown perfectly plainly that the prices which he himself paid are exorbitant, if a reasonable profit is figured for those who handle this article in commerce, including the importer and the retailer, and the jobber, if you please. It can not be stated with any degree of certainty that the mere adding of a duty is going to add to the price of a German-made glove in Woodward & Lothrop's. It will not. The effect will be to give the American-made glove a chance to compete with the German-made glove, and it will bring the price of the German-made glove down, if anything at all. That has happened in the case of many and many an article. I need not recite them now. I have stated one which was rather dramatic in its effect.

Mr. HITCHCOCK. Mr. President, does the Senator take the position that if we increase the duty on an article its selling price in this country is likely to be reduced?

Mr. WADSWORTH. In certain cases; yes. When the foreigner has had a monopoly and commanded our markets, named his own price and had no competition, time and time again it has been shown that the imposition of a duty in protection of the American-made article has resulted not only in a vast increase in the production of the American-made article but a decrease in the prices of all the articles.

Mr. HITCHCOCK. The foreigner is not charging these exorbitant prices.

Mr. WADSWORTH. Indeed he is.

Mr. HITCHCOCK. He is selling his goods at a very low price. It is the American merchant who, according to the Senator, is selling them for exorbitant prices.

Mr. WADSWORTH. And the importer.

Mr. HITCHCOCK. Maybe the importer, and maybe the retailer.

Mr. WADSWORTH. They can ask just as much as people are willing to pay to-day.

Mr. HITCHCOCK. The Senator is now arguing that he will sell them for a lower price if he pays a higher duty. That is the most extraordinary contradiction of this bill. The whole theory of the bill is to protect American industries from dis-

astrous competition by raising the duties, so as to compel the goods to be sold at higher prices. Now the Senator is arguing that as a result of the raising of the duties the goods will be sold at lower prices.

Mr. WADSWORTH. As to manufactured articles, I believe that what I said is generally sound. As to raw materials there is a different situation, because the cost of labor does not enter to nearly the same extent. I refer to tin plate, for example. How the Democratic Party inveighed against the imposition of a duty upon tin plate! We made none here. A duty was finally imposed, and what was the result? We had all the tin plate we wanted at a lesser price, finally, when we got our industries going. We created competition.

Mr. WALSH of Montana. That is, after a lapse of a great many years, tin plate cost less than it did before.

Mr. WADSWORTH. My recollection is that it was not a great many years.

Mr. WALSH of Montana. As a matter of fact, all manner of steel products are manufactured at a very much less cost than they were in past years, are they not?

Mr. WADSWORTH. The Senator and I do not agree upon this matter of a tariff, and we might argue until we were both black in the face.

Mr. WALSH of Montana. We do not agree, either, that because an article costs less now than it did 20 years ago it is because there was a duty on it.

Mr. WADSWORTH. I will make this observation: Had there been no duty in all these years on tin plate, and we had been dependent entirely upon foreign producers of tin plate for our supply, the price of tin plate in the United States would not have gone down in proportion to the decrease in the prices of other products.

Mr. WALSH of Montana. I undertake to say that we would not have been dependent, up to the present time, upon the foreign supply for tin plate any more than in the case of other things the manufacture of which has grown up and developed in this country.

Mr. WADSWORTH. That is an observation which the Senator is entitled to make. I do not agree with him.

Mr. HITCHCOCK. Of course, the Senator will realize that if any such change in the selling prices of these German articles in the United States is to occur as the Senator predicts, the glove manufacturers who are now bombarding Congress to get a higher duty would be asking us to lower the duty instead of raise it.

Mr. WADSWORTH. I can not quite follow the Senator's logic in that statement.

Mr. HITCHCOCK. If the Senator's theory is correct, that a raise of duty is going to lower the price, the American glove manufacturers would not be asking for an increase in the duty on gloves.

Mr. WADSWORTH. It is not a question of price alone that is important in an industry. It is the relation of the selling price and the costs. The manufacturer's interest is in how much it is going to cost him to produce the article, and then the selling price is important. If his costs can be reduced, and he still makes a profit with a reduced selling price, he is satisfied. That has been so as to everything. It is the relation of cost to selling price that counts.

That is the important thing in any commercial or manufacturing business. The price of gloves may come down in the future. I hope it will. But that does not necessarily mean that gloves can not be made at a profit. But to-day this particular kind of glove can not be made at all in this country, and the foreigner has a monopoly of the manufacture. What we are asking is that Americans have a chance to compete. My own idea is that about the first thing that will happen will be that the foreigner will begin reducing his prices as a result of that competition, because even with the \$3 a dozen rate proposed in the first Senate committee amendment you have not a tariff which equals the difference in the cost of manufacturing the highest quality of these cotton knit gloves, as I can show from Government figures.

Mr. HITCHCOCK. All the statements made by the Senator from New York and his colleague here to-day have been to the effect that these goods have been produced abroad so cheaply that it was an outrage for the retailers to charge such enormous prices. So you can not expect the foreign price to be reduced. What you have to do is to reduce the selling prices of these retailers, who, according to your theory, are making exorbitant profits.

Mr. WADSWORTH. I think they are.

Mr. HITCHCOCK. You can not do that by increasing the cost of the goods.

Mr. WADSWORTH. I think both the importers and retailers will bring their prices down as soon as they have this competition. As long as they have no competition there is no incentive for them to bring them down, and they will charge whatever American women are willing to pay, and apparently they are willing to pay at a rate which gives the importer and the retailer combined more than 100 per cent profit.

Mr. LENROOT. Are there not a number of importers?

Mr. WADSWORTH. I assume there are a number.

Mr. LENROOT. Are there not great department stores in New York which import direct?

Mr. WADSWORTH. There are.

Mr. LENROOT. And they will continue to do so, will they not; and they will add this duty if they can, will they not?

Mr. WADSWORTH. Yes; if they can. Here is the situation of May 3, 1922, as to costs: Take this style of long glove which my colleague had on his desk a little while ago. The foreign value of that glove is \$4 per dozen pairs. The landing charges are 15 cents. Supposing the \$3 a dozen duty were left in this bill as originally proposed by the Senate committee, the duty would be \$3 per dozen, and with the added length of that glove another duty of \$1.30. It is 13 inches, at 10 cents an inch. So the total landed cost would be \$8.45 per dozen pairs. That applies to these long-sleeved gloves. Let us give the importer 25 per cent profit on top of that, which would seem to be a reasonable profit. That would bring his price up to \$10.56 per dozen pairs.

The comparable American article, which is made now, it is true, in very small quantities, instead of costing \$10.56, including the 25 per cent profit for the importer, would cost \$11.75, with no profit for an importer or a middleman included in that. So it is easy to see why the American manufacturers are not making any gloves here. It simply can not be done.

The committee originally proposed to give a rate of \$3 a dozen pairs. They propose now to give \$2.50 a dozen pairs, and so the difference in cost between the foreign-made glove and the American-made glove is widened by another 50 cents. If my recollection of that is correct, the duty under the second amendment, the last amendment of the Committee on Finance, amounted to 84 per cent ad valorem on that type of glove. Yet it does not equalize the cost of production by any means.

Along comes the Senator from Wisconsin and proposes that no duty shall be assessed of more than 75 per cent ad valorem.

Mr. LENROOT. Has the Senator any figures of American cost of production?

Mr. WADSWORTH. Just this figure from the Reynolds report.

Mr. LENROOT. That is the selling price. It is not the cost of production.

Mr. WADSWORTH. Perhaps not; but a statement conclusive of the whole thing is that the factories are closed.

Mr. LENROOT. But it does not follow that because the factories are closed there should be the difference the Senator states between the selling price and the import price in order to open the factories.

Mr. WADSWORTH. It means there is no profit left and they have quit doing business.

Mr. LENROOT. Under the present rates that is true, but it does not follow, I say again, that they need the rate proposed by the committee amendment to open the factories, because if they have a 50 per cent profit in that selling price they can run their factories at a less profit.

Mr. WADSWORTH. I would like to have that substantiated.

Mr. LENROOT. I am taking a hypothetical case. It includes profit, but we do not know how much profit there is in the selling price. That is the only point.

Mr. WADSWORTH. I can not see how there would be any profit in those selling prices, or else they would be running the mills.

Mr. LENROOT. Not under the present rates. What the Senator desires to know is how much of a rate is necessary to enable them to run their mills at a fair profit. We have not any information upon that subject whatever. Mr. Littauer, in the hearings, where he speaks very often about selling price, has not said one word concerning cost of production.

Mr. WADSWORTH. The selling price given is \$11.75 per dozen pairs, and on that selling price the factories have closed. Apparently they can not get any more than that or they would get it.

Mr. SIMMONS. That is the wholesale selling price, is it not?

Mr. WADSWORTH. Yes; and in comparing that wholesale selling price of \$11.75, under which American workmen are walking the streets and nine-tenths of the factories are closed,

with the price of the foreign article imported under the original proposal of the Senate committee with a duty of \$3 per dozen pairs, plus a 25 per cent profit to the importer himself, I find that there is 75 cents advantage to the foreign glove even then.

Mr. SIMMONS. The Senator then is comparing the landing cost of the foreign article, plus the freight and plus the duty, with the wholesale selling price in this country.

Mr. WADSWORTH. Plus 25 per cent profit to the importer.

Mr. SIMMONS. Twenty-five per cent profit to the importer?

Mr. WADSWORTH. Yes; I gave him his profit.

Mr. SIMMONS. Does the Senator think that he is justified in comparing the landing cost of the foreign product, plus the duty, with the wholesale selling price? Does he think that is a proper comparison in fixing a tariff? We are talking about a comparison for tariff purposes. Is not the admitted comparison with the cost of production?

Mr. WADSWORTH. That is an entirely proper one, I will say.

Mr. SIMMONS. The cost of production in this country, as the Senator from Wisconsin said, does not seem to have been ascertained with any degree of accuracy. Mr. Littauer said it was \$6.50, I think, and the Senate committee seem to have accepted that as the cost of production in this country, but there seems to be no evidence of it. That is the figure with which the Senator must make his comparison.

Mr. WADSWORTH. Of course, if I were making that kind of a comparison.

Mr. SIMMONS. I am not accepting that figure. I myself think that is far beyond the cost of production. That is what an interested, and a very deeply interested, witness stated was about the cost of production. There is where we make so much complaint of the committee. If they were going to adopt the cost of production theory of imposing a tariff, we complain because they did not make a more thorough investigation with the view of accurately and impartially ascertaining and determining the cost of production in this country, and then making a comparison with the foreign landed cost.

Mr. WADSWORTH. If the comparison were to be made upon the basis suggested by the Senator from North Carolina I should not add the 25 per cent profit which I have allowed to the importer.

Mr. SIMMONS. The Senator ought not to include any profit to the importer if he does not include a profit to the manufacturer. The cost of production does not mean manufacturer's profit and it does not mean wholesaler's profit.

Mr. WADSWORTH. Of course not.

Mr. SIMMONS. It means the actual cost of producing the thing—the labor and the material that go into it and any overhead connected with it. That is the proper basis, as I understand it.

Mr. WADSWORTH. The Senator may not like the point at which I made the comparison, but he can not deny that that point at least is a consistent one and he can not deny the comparison itself. I included the manufacturer's profit when I stated the selling price of the manufacturer, as I have included the importer's profit.

Mr. SIMMONS. The Senator said he allowed 25 per cent profit on the part of the importer. Now, the Senator does not know that the manufacturer's profit and the importer's profit are the same. The importer might have a profit of 25 per cent or might have a profit of 50 per cent or 100 per cent, and so might the manufacturer. If the Senator is going to include the manufacturer's profit—

Mr. WADSWORTH. But the Senator says "might."

Mr. SIMMONS. The point I am making is this: I am simply trying to get at a proper basis of comparison. In arriving at the cost of production we should not allow any profit to the importer or any profit to the manufacturer. It should be just the cost of producing the article.

Mr. WADSWORTH. I think the Senator nor anyone else will deny, when I state that \$11.75 is the selling price secured by the American manufacturer for the glove which he makes, that it must include whatever profit there is, and there can not be any profit or he would be running his mills. They are closed.

Mr. SIMMONS. It includes the manufacturer's profit and includes the wholesaler's profit.

Mr. WADSWORTH. No; that is the selling price.

Mr. SIMMONS. Eleven dollars and seventy-five cents is the wholesale selling price?

Mr. WADSWORTH. It is the manufacturer's selling price, and he is making no profit.

Mr. SIMMONS. If the cost of production is \$6.50 and he sells for \$11.75 he must be making a very good profit.

Mr. WADSWORTH. If that were the fact his factories would be open.

Mr. SIMMONS. I am going to show the Senator that the Tariff Commission has given us data from which we are bound to conclude that the cost of production of the suede gloves is not over \$6.50, or was not over \$6.50 in 1918. That was during the war, when wages were extremely high, and when cotton was nearly twice as high as it is now. Here is what the commission said under the head of "Production":

Production values of various kinds of cotton gloves for 1918 were estimated as follows:

Then are given the different kinds of gloves, and we come to the item under discussion:

Sueded cotton gloves, \$8,450,000 (1,300,000 dozen pairs).

That, according to my calculation, is \$6.50 per dozen pairs. That was the cost shown by the Government statistics for the year 1918. Certainly the Senator would not say that it cost as much to make those gloves to-day as it did then. Cotton was higher then. The labor item has gone down somewhat—at least that is the general understanding.

Mr. WADSWORTH. Below the scale of 1918?

Mr. SIMMONS. I do not know about this particular industry, but I do know that cotton has gone down, and I assume the cost of producing this product is not now as much as it was in 1918. But assuming that the cost of producing the material is as much to-day as it was in 1918, during the war, if the manufacturer is selling these gloves at \$11.75 per dozen, then his profit is the difference between \$6.50 and \$11.75. That is a very considerable profit, I believe.

Mr. CALDER. Mr. President, from what survey did the Senator quote?

Mr. SIMMONS. I read from page 886 of the Summary of Tariff Information, 1921, relative to the bill H. R. 7456. The Senator will find what I read under the head of "Production," beginning with the word "sueded" in the fourth line of that paragraph. He ought not to have any trouble in finding it.

Mr. CALDER. The Senator spoke of a production of \$8,450,000 worth of gloves.

Mr. SIMMONS. That is what the commission said, that the production in that year was \$8,450,000, and that the amount of production was 1,300,000 dozen pairs. If the Senator will make a calculation he will see that I am correct.

Mr. CALDER. If we divide one into the other it would give \$6.50.

Mr. SIMMONS. That is what I said.

Mr. CALDER. But it does not give a definite statement concerning the cost of production.

Mr. SIMMONS. It is as definite as any statement given in the Tariff Summary. They are official figures.

Mr. WADSWORTH. Well, Mr. President, we can indulge in a contemplation of prices and costs—

Mr. SIMMONS. If the Senator will pardon me, the committee have accepted these figures, I think, in fixing the rate. If the Senator will pardon me further, I have the foreign value of these gloves given as \$3.35. That is what the committee estimated, I understand. They give the landing cost at 15 cents and the duty to equalize \$3, making a total of \$6.50. The committee seems to have accepted it as the cost of production.

Mr. WADSWORTH. I have not discussed the cost of production in the United States. I have not had figures available. I am not quarreling with the committee for adopting \$6 or \$6.50 as the figure. I am not quarreling with the Senator from North Carolina if he doubts the accuracy of that figure. All I state is that, whatever the cost of production in the United States to-day, the factories are closed, the people are out of work, the industry is dead, and the foreigner is fast getting a monopoly of the market.

Mr. HITCHCOCK. Mr. President, I suggest to the Senator that there are a good many other industries in the country with which the foreigner has nothing to do and which are in a similar condition and have been for a year or two past.

Mr. WADSWORTH. But the foreigner has something to do with this industry.

Mr. HITCHCOCK. The foreigner has not anything to do with the closing of the copper mines in this country.

Mr. WADSWORTH. Because he does not export copper to the United States; he does export gloves to the United States.

Mr. HITCHCOCK. So the prostration of our industries need not be charged up to the lack of tariff. It is due to the depressed condition of the country.

Mr. WADSWORTH. But the people are still buying gloves.

Mr. HITCHCOCK. The people are still buying copper, too.

Mr. WADSWORTH. They are buying their gloves at higher prices.

Mr. HITCHCOCK. But they are buying cotton, too. The fact is we do not sell one-half of our cotton crop. The people are economizing. The people have been out of work. The people have been enjoying a degree of Republican prosperity for a year and a half or two years in this country. It is not only the factories that are in competition with Europe that are prostrated. It is the enterprises which have no competition with Europe which are in a prostrate condition.

Mr. WADSWORTH. And all under the Underwood-Simmons tariff law, which we are trying to get rid of, and which we will get rid of. The Senator indulges in some rather remarkable observations. He is trying to draw the inference, and to get away with it, that the prostration of the American glove-making industry is not due to anything except industrial depression, generally speaking. If that were so, why has the foreign importation trebled, quadrupled, and quintupled within two years? The people are buying gloves, but they are buying them from the foreigner, who has driven the American producer out of the market. That is the cause of the depression in the glove industry, and the Senator must know it. The figures on their face prove it.

Mr. HITCHCOCK. The glove industry is like other industries of the United States; it can not possibly be prosperous when our international commerce is cut in two each year. For the year just closed our international commerce was but one-half what it was the year before, and for the year before that it was \$2,000,000,000 less than what it was the previous year. The administration is not doing one thing to stimulate our foreign commerce upon which our prosperity depends. This country is prostrate and in the midst of a depression because we have not been able to sell our surplus products abroad, and instead of opening up a market in the world for the sale of those products Senators on the other side of the Chamber are trying to build a tariff wall around the country which will not only keep out imports but will prevent our exports from going out.

Mr. WADSWORTH. Well, Mr. President, the Senator from Nebraska is inviting a general political discussion here in which I do not intend to indulge. I am anxious to conclude very quickly.

Mr. LODGE. Mr. President—

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from New York yield to the Senator from Massachusetts?

Mr. WADSWORTH. I yield.

Mr. LODGE. I wish merely to make the point that the decline in foreign commerce is less in the case of the United States than in the case of any other country. In all the countries abroad the foreign commerce has declined more and business has revived less than it has in the United States. I have heretofore put the figures into the Record in reference to that matter.

Mr. WADSWORTH. Mr. President, I think I have sufficiently discussed the pending question.

Mr. HITCHCOCK. If the Senator from New York will permit me, I desire to say that I do not admit the accuracy of the figures presented by the Senator from Massachusetts.

Mr. LODGE. I did not suppose the Senator would admit that, but they are the figures of the Department of Commerce.

Mr. HITCHCOCK. No; I do not admit their accuracy. The trouble with the Senator from Massachusetts was that he made his comparison of present conditions with those in the last year of the operation of the Payne-Aldrich law. Of course, compared with that year our present trade is better, but the Senator should properly make the comparison with the years of the Underwood law. The Senator has made a comparison with the tariff year in 1913, which was the last year of the Payne-Aldrich law—

Mr. LODGE. And the first year of the Underwood law.

Mr. HITCHCOCK. And, of course, the showing was bad, because the Payne-Aldrich law was a failure.

Mr. LODGE. It was the first year also of the Underwood law, which was likewise a failure.

Mr. HITCHCOCK. The Underwood bill did not pass until the 1st of October of that year; so that there were 10 months of that period under which the Payne-Aldrich law was in operation; and, of course, the showing was bad.

Mr. LODGE. It does not matter particularly which law was in operation. The point is that, taking as a comparison the trade of all countries, our foreign trade, imports and exports combined, exceeds to-day that of any other country; and we have revived from the depression of 1921 more than has any other country. The fact is the trade of the whole world is depressed by causes which go far beyond the tariff of any country.

Mr. WADSWORTH. Mr. President, I think I have discussed this question long enough, and I do not intend to continue it,

except merely to say that I believe this is an industry which we should preserve. I do not like to see a successful effort of this kind come to naught. It did fill a need during the war; it is an industry that we ought to maintain in this country. We should not be dependent upon the foreigner for all our supplies, and I believe that the only way to protect the industry—and that is all I ask—is to impose a duty which will equal the difference in the cost of production here and abroad.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] to the amendment reported by the committee.

Mr. SIMMONS. Mr. President, I do not wish to enter into any extensive discussion of this paragraph. I wish to put in the Record, however, some letters which I have. I shall not read them, because I do not wish to take up the time of the Senate for that purpose.

There are two or three fundamental facts connected with this question which I think ought to be clearly set out in the Record, and it is for the purpose of doing that, and for that purpose alone, that I rise.

First, it is a fact which I think no one will dispute, that the present German landed price, which it is stated is so extremely low that the American manufacturer can not possibly compete with it, is to-day twice what it was in 1914, the last normal year before the war. I do not wish that that fact shall rest upon my statement alone; I want it to be clearly established, because I think that Senators on the other side of the Chamber will find it very difficult, indeed, to contend that we must have a higher duty than that of the Payne-Aldrich law or that of the present law in order to enable us to compete with the German manufacturer, when the German is now selling his product in this market for twice as much as he sold it for during the life of the Payne-Aldrich law and during the life of the Underwood law up to the time the war began.

I wish to read into the record, as supporting that statement, the data concerning this kind of glove given by the Tariff Commission under the head of imports. Imports of cotton gloves during the fiscal year ended June 30, 1914, were 1,523,784 dozen pairs, valued at \$2,184,039. These were mainly women's suede gloves from Germany. That was the price upon which the duties were paid to the Government; so that there can be no doubt about the price at which these goods were invoiced and imported into this country.

I have the calculation here, Mr. President, from which it is apparent that the sale price upon which the duties were paid to the Government during 1914 was \$1.42. In 1921 the imports were 813,604 dozen pairs, valued at \$2,727,478, or \$3.35 a dozen pairs. That is a great deal more than twice as much in 1921. In 1922 the price was still further advanced, and the average was \$4 a dozen pairs. So the foreign price has more than doubled; indeed, almost trebled what it was under the Payne-Aldrich bill and under the first nine months of the Underwood law.

Here the facts are entirely different from the facts that have been presented to us with reference to the German price of other commodities on which high duties have been imposed. It has been contended, and in many instances it has been shown, that the German price of the product sought to be protected was below the pre-war price, or, if not below the pre-war price, about the pre-war price; but here is a product the foreign price of which is from two to three times as much as it was before the war; and still it is said that we must have these high rates of duty in order to enable the American manufacturer to compete.

Mr. President, I think I can show what is the situation here. There is no trouble, in my judgment, about competing with Germany in the manufacture of these gloves. The only difficulty is that we have never been able to apply the suede process as the Saxons have been able to apply it. We have not learned their process. It is a process which adds very great value to the glove. If we could learn the art of this process and employ it skillfully, probably the cost of applying the method would be very slight; but we have not been able to do it; and for that reason, Mr. President, our gloves are not quite so attractive to the American trade as are the imported gloves.

I have here a long letter from Mr. Kayser, who says that he manufactured these gloves during the war, and sold them in immense quantities because then we could not import any gloves from abroad; but he says that in nearly every instance his customers said that they much preferred the foreign glove, because our manufacturers could not give them the gloss and the finish which the foreign glove has; and I think that is really the trouble about this manufacture.

I think I will put this letter of Mr. Kayser's in the Record, because it is a very thorough discussion of this subject, and he shows why he, as the biggest single manufacturer of these

gloves in the United States during the war, has gone out of the business, but, he says, not at a loss; he has simply transferred his force in that factory to the manufacture of silk gloves. I also desire to insert in the RECORD a letter on the same subject from the firm of Wimbacher & Rice, of New York City.

There being no objection, the letters referred to were ordered to be printed in the RECORD, as follows:

NEW YORK, January 10, 1922.

HON. FURNIFOLD M. SIMMONS,
Senate Finance Committee,
Washington, D. C.

SIR: We respectfully submit the following statement for your consideration in relation to the rate of duty on cotton fabric gloves, the fabric of which is made on warp machines.

Prior to the war, with the exception of a very small quantity of men's fabric gloves, which were used by policemen and for military purposes, there were practically no fabric gloves made in this country. We were large manufacturers at this time of silk gloves, with a capacity of production of approximately 750,000 dozen per year. We were importing cotton gloves from Saxony at the rate of about 500,000 dozen per year.

At various times prior to 1914 at considerable expense and effort we endeavored to manufacture fabric gloves in this country. We found that it was not so much the cost of production as the difficulty in obtaining a satisfactory fabric in finish and quality that prevented our developing the cotton-glove business in this country. Whether this was due to lack of knowledge in dyeing or finishing or general handling of the product, we are not in a position to state, but such experiments which we did develop convinced us that the article was one which could not be made, regardless of price, to give the customer the same amount of satisfaction as the German product.

With the outbreak of the war we again endeavored to manufacture these cotton gloves and manufactured them to a very large extent, investing a large amount in machinery and building for this purpose alone. We manufactured over 3,500 dozen a week, which were sold only because the imported product was unobtainable. The 12,000 accounts to whom we distributed our product were almost unanimous in stating to us during this time that they much preferred the imported article.

These gloves had always been very popular prior to the war because of this peculiar finish and general satisfactory wear which the imported article gave. The individuality which these imported gloves have can be largely attributed to the special skill which the Saxons have acquired, due to the many years of training, heritage, and dyeing facilities peculiar to this industry.

Glove making requires more skill than any other industry in the wearing-apparel field. This condition has been brought about due to the demand which the public has made upon the manufacturer for a perfection in fit which can only be developed by operatives who have a particular special talent for this kind of work. Naturally the number of employees engaged in this industry has been and still is limited, and even under present conditions it does not attract new hands, with the result that during the war period when we tried to develop a cotton-glove business in this country approximating a capacity of 3,500 dozen a week, we were obliged to draw upon our silk-glove operators to a large extent in order to make these gloves, with the result that our silk-glove production of approximately 15,000 dozen a week was called upon to supply the hands to make the cotton gloves.

We mention this fact for the reason that under normal conditions practically all the labor that has been employed in the cotton-glove industry can be absorbed by the silk-glove industry, thereby causing no unemployment.

Just at present, with economic conditions unsettled, no industry is absorbing full production, but we feel that under anything like normal conditions the silk-glove industry of this country, which practically supplies the world with its product, will readily absorb such hands who at present are not employed in the cotton industry.

Having had the experience of manufacturing cotton gloves of all kinds in this country during the past five years, and having been importers prior to the war of practically 35 per cent of all the gloves exported by Germany to this country, we believe that the Payne-Aldrich duty of 50 per cent made it possible for the domestic manufacturer, if he could develop the skill, to compete. We are certain that no duty, however, can develop the skill for reasons above cited, and that in the end the 10,000,000 or 12,000,000 wearers of cotton gloves will be obliged to buy an inferior article at a high price if the duties are placed so high as to make the importation of cotton gloves prohibitive.

We have made a very careful survey of the industry in its branches, and even though we expended a large amount of money in plant and machinery for the development of this industry from 1915 to 1920, we were convinced that regardless of price we could not produce an article of as good quality, fit, and finish in this country as the wearer could secure from the imported article.

We found no difficulty in absorbing in other branches of our business the help that was formerly employed in our cotton-glove departments. The only loss which we have taken has been the expansion in building and certain kinds of machinery which are only adapted for cotton manufacturing. We have done this during the past 18 months under most unfavorable conditions, and must repeat that the importation of German gloves will in no way affect the employment of any large percentage of those engaged in the industry.

Male labor so employed has been relatively small, inasmuch as the warp machines used for cotton manufacture are easily changeable into silk weaving, and have been so absorbed. Such male help as has been employed in cutting of cotton gloves has been transferred to cutting of silk gloves and kindred lines.

The female help has been absorbed in the manufacture of silk gloves and kindred lines. In other words, there has been no lack of employment in our mill due to the recent importation of cotton gloves and the discontinuance of our manufacturing cotton gloves in this country.

These imported gloves have been referred to in the statements made to the Senate Finance Committee as "chamoisette," according to reports in the public press. Their origin, however, should be explained. They are cotton gloves and were developed abroad and extensively worn in this country, as well as practically every other civilized country. The word "chamoisette" was copyrighted by us and registered at every

customhouse in the United States. Others import this glove under different names.

Due to the moderate price at which it can be sold, the article has become indispensable for the mass of men and women of this country. To prohibit its importation by an exorbitant rate would be to compel the consumer to buy a glove inferior in appearance and finish and to pay double or more for it merely for the protection of an industry which during the war was in the hands of practically five or six concerns who endeavored to make this article as an addition to their regular lines of leather or silk gloves, but who apparently could not put it on the market at a reasonable price.

A "chamoisette" glove which prior to the war retailed at \$0.25 per pair cost in Germany 4½ marks, less 5 per cent discount, equal to \$1 per dozen, and in August of this year when exchange was approximately \$0.015 they cost 125 marks, or approximately \$1.87½ per dozen. For spring, 1922, delivery the foreign price demanded is in dollars, not in marks, and is from \$1.85 to \$2.

The rate in paragraph 914 of the Fordney bill, i. e., 40 per cent on the American selling price, or, for example, say, the price which the importer would be compelled to sell his merchandise at would be as follows:

Foreign value.....	\$1.875
Freight, insurance, and other expenses, say, at a minimum, 5 per cent.....	.094
Total.....	1.969
Duty (40 per cent on selling price, \$5.62½).....	2.25
Gross profit (25 per cent on selling price, \$5.62½).....	1.406
Selling price.....	5.625

So that the rate of 40 per cent on the American selling price is equal on the foreign value to 120 per cent, as follows:

Duty (\$2.25) divided by foreign value (\$1.875) equals 120 per cent.

And the fact that the gloves cost abroad nearly twice as much as before the war should not be overlooked and is a fact which can be verified by the records of the customhouse.

Much has been said regarding the low price of German gloves which hardly conforms to the facts. The present price of these gloves in Germany, reduced to dollars from the mark value at the date of purchase at the current rate of exchange, is from 75 to 100 per cent higher than the pre-war prices; in fact, a larger percentage of increase in price than the percentage of increase which we are obliged to-day to demand for our silk-glove products made in this country. In other words, we are obliged to-day to sell cotton gloves at an advance from 75 to 100 per cent over the pre-war price, whereas silk gloves of domestic manufacture are being sold at a rate of between 50 and 60 per cent over the pre-war prices.

To attempt to fix an excessive permanent tariff rate to last for years because of shifting conditions as they exist to-day is illogical and unwise, as may be seen from the fact that at the present time purchases of cotton gloves in Germany for future delivery must be made in dollars, by which the uncertainty caused by fluctuations in exchange is eliminated.

Again, we would direct your attention to the dollar price paid abroad, which is about double the pre-war price of this same article.

In conclusion, therefore, let us repeat that in order to protect five or six small industries, which, in our opinion, employed not over 5,000 people at their peak of manufacture during the war, over 12,000,000 men and women will be obliged to pay an excessive price for an inferior article if the pending tariff bill becomes a law. We believe that a normal importation of German gloves will in no way effect any unemployment for the reasons as stated above. The normal leather and silk glove manufacturing before the war and which was intensified very largely during the war has always suffered from a lack of skilled labor, this because of the peculiar difficulties and hardships upon the operator to acquire the skill necessary to produce a glove.

This company has been in business for 40 years, has net assets of approximately \$10,000,000, and employs over 8,000 hands in this country in its various branches at Brooklyn, Amsterdam, Sidney, Walton, Bangor, Oneonta, Owego, Cobleskill, Palatine Bridge, Hornell, and Monticello.

Yours very truly,

JULIUS KATSER & CO.,
W. A. SHAKMAN,
First Vice President and General Manager.

NEW YORK, June 18, 1922.

HON. FURNIFOLD MCL. SIMMONS,
United States Senate, Washington, D. C.

MY DEAR SIR: We have noted in the press that an amendment has been offered on the floor of the United States Senate to change the rates on cotton gloves in the new tariff bill, paragraph 914, H. R. 7456, from the extremely high rate of \$3 per dozen to a rate conforming more to the demand of the times.

Let us call your attention to the following facts: This high rate will affect mostly the popular two-clasp cotton gloves, which were sold throughout the United States under the Payne-Aldrich tariff bill at 25 cents per pair. The present retail price for this same article under the Underwood tariff bill is 50 cents per pair. This advance in price is caused by the increased cost of the imported article.

If the proposed Senate rate becomes a law, this same article would have to be sold at a dollar per pair. In other words, the proposed Senate rates are three times that of the Payne-Aldrich tariff. The Payne-Aldrich tariff bill provided a rate of 50 per cent, whereas the Senate Finance Committee schedule proposes about 150 per cent. The wholesale selling price would have to be \$7.50 per dozen and the retail selling price would be from 85 cents to \$1 per pair.

The people of the United States are demanding a lowering of living costs instead of increasing them, and the quicker this fact is realized and acted upon the better it will be.

Goods of this particular character are worn mostly by the masses, who are now groaning under the burden of high prices, and we think action should be taken toward eliminating high tariff rates on goods which are worn by the masses, who are now forced to economize to overcome the high living costs.

We ask you to support the amendment introduced by Senator LADD to have these rates reduced, and we would be pleased to see you vote for this amendment when the proper time comes.

Very truly yours,

WIMBACHER & RICE.

Mr. SIMMONS. Mr. President, right there is a remarkable thing. We are the world's greatest manufacturers of silk gloves. We undersell the world on silk gloves. We even invade the German market in the sale of silk gloves. I want to read what Mr. Littauer said about that in his testimony before the committee:

We have been able to make the best silk glove in the world. Germany can not compete with us at all. We have the silk-glove trade of America wherever good silk gloves are wanted. We have it even in Germany and in England.

Mr. President, as I said, it is a fact that the same kind of labor enters into the manufacture of silk gloves as into the manufacture of cotton gloves, and it is difficult to understand why we can compete with Germany in this market and in foreign markets on silk gloves and yet in this market we require an exorbitant rate of duty in order to foster the manufacture of cotton gloves. There is not anything in the cost of production that interferes with our competition. It is simply because there is one little thing that gives artificial value to the glove made by the highly trained workmen of Saxony, who have been engaged in this business from time immemorial, whose fathers were in it, who have inherited the skill, and who have been trained and who have discovered a new method of finishing it, called *suëding*, that we can not imitate and have not been able to imitate. Mr. Kayser recognized that, and he said that it had been demonstrated that until we could acquire the knowledge and the skill necessary to apply this finish it would be utterly impossible for us to compete with Germany in this market, it did not make any difference what duty we might give, short of prohibition, because the American preferred the foreign glove to the American glove even at a higher price.

During the war, when we could not get these foreign gloves, when there was an embargo, the manufacturers of silk gloves and other cotton gloves began to make these *suëded* gloves in this country, or attempted to make them. I have seen some of them. They do not compare with the foreign glove in finish and polish and luster and things of that sort. They were enabled, however, to command the American market because of the embargo. The American had gotten accustomed to that glove. He liked it, even though the quality was inferior, and he recognized it. He bought it because he could not buy anything else of a like character. He bought it, and the price at which the manufacturer claimed that it was produced was \$6.50 a dozen. That was his manufacturing price, and his selling price probably was about \$12 a dozen. That is shown by the statistics that I have read. That was the price at which he was selling this product under embargo conditions—\$6.50 as the manufacturer's cost and \$12 as the manufacturer's selling price.

Mr. President, what is sought to be accomplished in this bill is, by the imposition of this duty, to reestablish in this country the identical conditions which existed in 1918, when we had this enforced embargo which kept out the German product, kept out all foreign products, and enabled the American manufacturer to produce and sell at his own price. Am I right about that? The cost of production claimed by the manufacturer in this country is \$6.50, the very identical fact that was found by the Tariff Commission as having been the price charged in 1918, when they had an embargo and a monopoly of this product in this country. Now the committee select that as the present manufacturer's price, and they proceed to build up the foreign price to the same amount—the manufacturer's price in 1918, when this embargo condition existed. How do they do it? They estimate the foreign value to-day at \$3.35. That was correct. That was in 1921. It is not correct now. It is \$4 now; but this bill was written on the basis of August, 1921, prices, and they have not changed it, notwithstanding those prices have gone up. They took the August, 1921, price, \$3.35; landing cost, 15 cents; duty required to equalize, \$3 a pair. Add them up and you get \$6.50. So that they are imposing here a duty that will create an artificial tariff embargo just as effective and just as protective as was the war embargo of 1918.

What does that mean, Mr. President? It means that this rate is written with the intent of protecting the American producer of this article against foreign competition upon the basis of war prices and that as long as this bill remains in effect the American people will have to purchase these goods upon the basis of war prices of production, notwithstanding the fact that the war prices of production of articles of this character have necessarily diminished since the war by reason of the decline in the price of the materials out of which the articles are produced and by reason of the decline in the wages paid. If there has not been a decline in wages in this industry, do not doubt that as soon as this industry is put upon its

feet by the establishing of this new embargo the manufacturers, without reducing their prices one whit, will begin the process which is going on throughout the country of forcing a reduction in wages.

Mr. President, the rates of the present bill, even when scaled down, will, I imagine, be something over 100 per cent. When I say "scaled down," I mean by the new proposal of the committee. I think they are excessive; and while if the Senate saw fit to adopt some considerable increase as an emergency measure for the purpose of giving these people another opportunity to see if they could successfully produce this product in competition with Germany or other countries it might be justified; to write it into a permanent tariff is, to my mind, absolutely indefensible.

I shall therefore take very great pleasure in supporting the amendment of the Senator from Wisconsin [Mr. LENROOT]; and if I could get it lower I should be glad, if that amendment is defeated, to support the amendment of the Senator from North Dakota [Mr. LADD].

Mr. LENROOT. Mr. President, just one moment. I want to place in the Record a statement for the benefit of Senators who were not here when I spoke earlier in the day.

This amendment on the \$2.10 glove will reduce the ad valorem rate from 119 per cent to 75 per cent. Upon the \$2.50 glove it will reduce it from 104 per cent to 75 per cent. Upon the \$4 glove it will reduce it from 92½ per cent to 75 per cent.

I ask for the yeas and nays upon my amendment.

Mr. LADD. Mr. President, I had intended to offer the amendment that I announced in April that it was my intention to offer to lower the rates; but inasmuch as the Senator from Wisconsin [Mr. LENROOT] has offered an amendment, if that prevails I shall withhold my amendment.

I sincerely hope that the amendment offered by the Senator from Wisconsin will prevail, for I have felt since I proposed this amendment in April that the rates were altogether too high. The further I have gone in the study of this proposition the more I have become convinced that the rates are unnecessarily high.

Mr. SMOOT. Mr. President, yesterday considerable time was occupied in discussing the rates in this paragraph. The samples of gloves that I had, together with the foreign costs, justified the rates that were reported to the Senate. The average rate under the samples of gloves that I had which were imported into the country would not have been more than about 84 per cent; but since the committee report was made there has been put into my hands a *suëded* cotton glove the invoice price of which was \$2.10 a dozen. With a rate of \$2.50 on that *suëded* glove, an 11-inch glove, it is true that the rate is 119 per cent, and I made a statement this morning correcting the statement that I made yesterday, because at that time I knew of no *suëded* gloves that came into the United States which were sold at anywhere near the price of \$2.10 per dozen. I think myself that the rate of 119 per cent is too high on that class of glove.

I want to say, therefore, that if the committee had the amendment to consider again it is my opinion that there would be a modification of that rate; to what extent, I can not say at this time; but I do feel that as long as it has been developed that in this year a *suëded* glove can be imported into the United States at \$2.10 a dozen, a rate of \$2.50 seems excessively high.

Mr. WADSWORTH. Mr. President, it is apparent that the Senator had not encountered this particular type of glove, and it was unexpected to him, and perhaps to other members of the Committee on Finance. It is apparent that the Senator believes that further amendments should be made to this paragraph. The Senate Committee on Finance undoubtedly gave a great deal of study to this; in fact, I know they did, because I was with them a part of the time. It is certain, in my mind, that the committee did not believe that 84 per cent ad valorem was too high a rate upon any of the gloves which would fall under the \$3 or \$2.50 per dozen pair category.

Mr. SMOOT. As to that price of glove, I think that is absolutely correct.

Mr. WADSWORTH. I do not know whether my mind is traveling faster than that of the Senator, but the Senator from Wisconsin has offered an amendment which will limit the rate to 75 per cent, which is very seriously below some of the rates which the committee thought were wise—

Mr. SMOOT. On the cheaper glove.

Mr. WADSWORTH. On the cheaper glove; leaving out of consideration the 119 per cent ad valorem glove to which the Senator has referred. Does the Senator think it would now be a reasonable proposal, in view of this situation, that the limitation suggested by the Senator from Wisconsin be made 85 per

cent instead of 75 per cent? And that would be lower than the rate the committee has already adopted.

Mr. SMOOT. Of course, with the small production which has been taking place in the factories in America of late, the overhead expenses must be terrific. It could not be otherwise. That being the case, that cost must amount to, perhaps, 30 or 40 per cent of the labor cost. With the mills in full operation, and the overhead expenses being no more than to-day, if we made 80 or 90 per cent of all the goods consumed in this country, instead of 10 per cent, of course the cost of the manufacture of the glove would accordingly be reduced as the amount of production was increased. I would like to arrive at a rate which would allow our manufacturers in the United States to produce the goods consumed in this country, and at the same time reduce the cost of producing goods in this country through the overhead expenses being reduced. It may be that 75 per cent would take care of this class of goods, if they make the goods to the full amount of the consumption of the American people. I have no doubt as to that. But, if the 75 per cent rate meets that particular class of gloves it will rest entirely with the American manufacturer as to whether he will reduce the cost of the goods.

Mr. POMERENE. Is not this also true, that all of the figures and estimates which have been presented this afternoon are based upon data relative to wage and other conditions which prevailed in 1921, and looking at it from the standpoint of the American manufacturer, are not labor conditions both here and abroad more favorable than they were in 1921? In other words, the wages in Europe reduced to a gold basis are higher now than they were in 1921, and the wages in this country are substantially lower; at least they have been reducing wages here.

Mr. SMOOT. A few of them have made a 10 per cent reduction, and I think before we got to producing gloves in the United States so as to meet the demands of the American people at a price at which the American people will buy them there will be still further reductions in some of the wages paid. I called attention to the fact that they were paying as high as \$105 a week in some of the hosiery mills. I claim that under conditions existing in the world to-day that wage can not be justified. That means over \$5,000 a year, if they were continuously employed.

Mr. ROBINSON. What class of employees are paid at that figure?

Mr. SMOOT. The knitters, those running the large knitting machines on which they make the knitted hosiery.

Mr. ROBINSON. Would that be uniform, or the average wage paid?

Mr. SMOOT. I suppose that would be the higher wage paid for men who run the larger machines. I do not mean that would be the wage of the sweeper. I mean that that is the wage of the mechanic.

Mr. HITCHCOCK. Do the figures show that there is any higher labor cost now than there was in 1919?

Mr. SMOOT. No; but the prices of the goods of 1919 are quite different from those of to-day.

Mr. HITCHCOCK. I see from the census report that the labor in the glove industry at that time amounted to about \$6,000,000 out of a product of \$28,000,000.

Mr. SMOOT. That is the percentage of the labor in the goods.

Mr. HITCHCOCK. What is this tariff to protect against? Is it to protect against the difference in the cost of labor?

Mr. SMOOT. Partly. For instance, I think wages here are ten times the wages they are paying in Germany to-day in this industry on the basis of the gold mark.

Mr. HITCHCOCK. The other day I introduced some figures which showed that the increases in the wages of the German laborer have been rapid during the last year and a half, and are still going on, so that the cost of production is increasing there. In the case of gloves such as we have seen exhibited here, what percentage is the labor cost of the total cost of the glove, according to the committee's information?

Mr. SMOOT. I do not think the committee have found the exact labor costs. In fact, I am quite sure I do not know it. I have a report here which pretends to show the difference.

Mr. HITCHCOCK. If we can depend on the census reports at all it amounts to only about 25 per cent. Here is a tariff of over 100 per cent proposed.

Mr. WADSWORTH. The Senator from Ohio put the figures as to labor in the Record the other day, both as to Germany and the United States.

Mr. CALDER. I have indicated the labor cost in America, fixing the cost of manufacturing a dozen pairs at \$5.65 and the labor cost \$1.82.

Mr. POMERENE. The figures I gave were for 1921.

Mr. HITCHCOCK. What is the percentage of labor cost in the manufacture of the gloves?

Mr. SMOOT. It is about 33 per cent.

Mr. CALDER. Thirty-eight per cent, according to the figures submitted by the Senator from Ohio.

Mr. HITCHCOCK. How can they demand 100 per cent protection when the total cost of the labor is only 38 per cent the total cost?

Mr. CALDER. The figures submitted by the Senator from Ohio would indicate that it would cost \$2.48 more to manufacture a dozen pairs of gloves in this country than in Germany, without profit to either side.

Mr. HITCHCOCK. It is claimed that this tariff is necessary in order to compensate for the difference in the cost of labor in the two countries, but the total cost of labor is only 38 per cent.

Mr. SMOOT. That is on the American price, not the foreign price. That makes all the difference in the world.

Mr. HITCHCOCK. If the total cost of labor is only 38 per cent, what is the difference between the German cost and the American cost? It can not be 105 per cent.

Mr. SMOOT. It could be more than the 105 per cent, considering the difference in the selling prices of the goods in this country and in Germany. That depends on the cost of making the goods in this country and the cost of making them in Germany. There is no doubt but what wages in the United States in this industry are ten times what they are in Germany, or an increase of a thousand per cent. There is no doubt about that.

Mr. HITCHCOCK. Does the Senator assert that the cost in this country is ten times as much as in Germany?

Mr. SMOOT. I say that the wage cost is ten times in this country what it is in Germany.

Mr. HITCHCOCK. The Senator surely can not seriously consider a statement of that sort. It is impossible.

Mr. SMOOT. I have a report from our Department of Commerce which will substantiate that, and even more than that, if the wages in this country remain what they have been in the past few years.

Mr. HITCHCOCK. I do not see how the Senator could possibly justify such an extravagant statement as that.

Mr. SMOOT. I do not make it upon my own knowledge. I make it upon a statement prepared and submitted by the Department of Commerce of the United States.

Mr. HITCHCOCK. What is the cost of this glove the Senator is speaking of, in which the labor cost is 38 per cent?

Mr. CALDER. According to the figures submitted by the Senator from Ohio, the cost of manufacturing a dozen gloves in this country is \$5.65 as against \$3.17 in Germany. May I add, for the information of the Senator from Nebraska, that the other day when in New York I discussed the question of wage costs in Germany in this country with Mr. Dodge, president of the Mergenthaler Linotype Co., which has a factory in Brooklyn, and which also has a factory in England, and one in Berlin. He does not ask for any duty—in fact, we do not give any—because he manufactures in Europe all that is demanded in Europe. He told me that to his machinists in Berlin he was paying \$4 a week as against \$34 a week for the men doing the same kind and amount of work in Brooklyn.

Mr. HITCHCOCK. Mr. Dodge in that case must have had some very extraordinary figures. It is very definitely known that the purchasing power of the mark is twice as much as the value of the mark in the international exchange. Of course I admit that the German laborer heretofore has been working for extraordinary low pay, because of the great subsidies which the German Government has been paying labor; but about a year ago the German Government began to withdraw those subsidies, and the wages of German labor have advanced until at the 1st of July they were twenty-eight times, in German money, what they were before the war, and they are still going up. American wages, as we know, are coming down.

Mr. CALDER. The wage rate I have given is as of the month of June of this year.

Mr. HITCHCOCK. They are impossible figures.

Mr. CALDER. On the gold basis.

Mr. SMOOT. Mr. President, I want to say to the Senator from Nebraska that the wages reported by the Department of Commerce were such that I did not want to use the figures, nor do I want to now, until they are rechecked. I could hardly believe them. But when I do get them rechecked I want the American people to know what they are.

Mr. HITCHCOCK. The Senator perhaps recalls that the other day I introduced a report from the Department of Commerce showing the German wages, how they had been increased there

in three or four months, until they are now up to twenty-eight times, in German money, what they were before the war.

Mr. SMOOT. In German money?

Mr. HITCHCOCK. Yes.

Mr. SMOOT. But I am figuring everything upon a gold basis, and my request of the Department of Commerce was to give me figures on a gold basis. I do not want to use the figures I got from them until they have been rechecked, because they are almost unbelievable.

Mr. HITCHCOCK. I think they are entirely unbelievable.

Mr. SMOOT. I want to say to the Senator from Nebraska that the wages here are more than ten times as great as those paid in Germany.

Mr. HITCHCOCK. Mr. President, I took some pains the other day to show the change going on in Germany with relation to the pay of labor, and the figures I gave were from the Department of Commerce. Most of those figures showed that, beginning a year or more ago, the pay of German labor, in German money, has been rising steadily and rapidly. I admitted it had not risen as fast as the international value of the German mark had fallen, but I showed it had been multiplied twenty-eight times in one year. I also showed that the German mark has a much greater purchasing power in Germany, probably twice that which it has in international exchange, so that German labor for that reason has been kept reasonably quiet. But I showed also that Germany has been paying great subsidies to labor to keep the wages of labor down.

In the first place, it has been compelling the landlords in the cities to refrain from increasing their rents. So that the German laborer heretofore has been paying out for rent only 2 per cent of his income instead of 20 per cent, as he did before the war. But that can not last any longer. Landlords are becoming bankrupt, and that plan has to be abandoned.

The German Government has been paying to the German laborer a subsidy called the bread ration. It has been commandeering 20 per cent of the wheat raised on German farms and putting it into bread and selling it to the laborer at one-half its cost. It has been importing wheat from other countries and putting it into the bread ration and selling it to the German laborer at one-half its cost. But a few months ago Germany had to cut that subsidy in two, and undoubtedly will wipe it out altogether. Germany has been paying a subsidy to labor by prohibiting the public utilities in the various cities, which furnish gas, run street cars, furnish electric light and water, from raising their rates. So that the German laborer has been getting all those services practically as he got them before the war, and therefore has had a reduced cost of living.

In order to compensate the German municipalities for the great subsidy to labor, the German Government has been paying to those communities vast sums of money, 400,000,000 marks to Berlin in one year and 400,000,000 marks to Hamburg in one year, for instance. The result of the German Government paying those great subsidies to labor through the municipalities has been to create a great deficit in the German budget, and Germany now has been compelled to abandon the plan because the other countries in Europe, creditors of Germany, have been demanding that the budget be balanced. I have shown those figures for the purpose of indicating that German labor is bound to have increased wages, and that wages are increasing at the present time, whereas we know in the United States that the wages of all classes of labor are being constantly depressed.

Mr. POMERENE. Mr. President—

Mr. HITCHCOCK. I yield to the Senator from Ohio.

Mr. POMERENE. I have an issue of the Daily News Record of Tuesday, June 27, 1922, containing a very interesting article in it from Chemnitz, where most of these gloves are manufactured. If the Senator will permit me, I should like to read just a paragraph to support what the Senator has been saying.

Mr. HITCHCOCK. I shall be glad to have the Senator do so.

Mr. POMERENE. The paragraph to which I refer reads as follows:

The fabric and knit glove industry of Chemnitz is already reported to be in a bad way, although there, too, some of the makers still have an appreciable volume of business on hand left over from the early months of this year. However, scarcely any new orders are coming to these factories, and it is declared business is now as bad as it ever was before or threatens to be in the near future. Prices for Chemnitz-made fabric gloves have gone up by 30 per cent within this year, and further increases have been prevented, so the manufacturers say, by the realization that there has to be a limit somewhere even if the workers know none. High wages are declared to be mainly responsible for the dullness, but the underlying reason can readily be assumed to be the fact that both foreign and inland consumers and customers of the Chemnitz factories consider the present prices too high, saying the profits made by the manufacturers are excessive. Such charges are,

of course, indignantly repudiated, and the chief blame is thrust upon high cost of raw materials, high wages, and a bevy of similar high expenses, which are still doing their utmost to drive prices skyward.

I quote this as indicating that prices of German-made goods are constantly advancing, and for that very reason there is not the necessity now for the high duties that there was last year.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. HITCHCOCK. I yield.

Mr. SMOOT. The statement just read by the Senator from Ohio demonstrates conclusively that notwithstanding the raises in price that he speaks of, the prices of to-day have closed all of the plants of the manufacturers in the United States who manufacture this class of gloves. They are making no gloves. Their factories are closed. Even with the advance of prices they are closed. I do not understand the article, I will say to the Senator from Ohio, because I know that German manufacturers have canceled numerous orders which had been taken and refuse to fill them. I refer to orders for gloves and other cotton goods.

Mr. POMERENE. I did not read the entire article, but it gives a possible explanation in that the very high rates of duty are threatened, and they are afraid they can not produce the gloves so as to get them over here before the higher rates go into effect. That is one reason.

Mr. SMOOT. That may be a kind of advertisement. The Senator from Nebraska said, as I understood him, that wages had increased twenty-eight times over and above the wages paid before the war.

Mr. HITCHCOCK. As of the 1st of July.

Mr. SMOOT. Does the Senator know how much the mark has decreased?

Mr. HITCHCOCK. Yes; it is about twice that.

Mr. SMOOT. Twice. If the mark were worth one-fifth of a cent, it would be one hundred and nineteen times. It is worth eighteen-hundredths of a cent. That was the last quotation. But suppose it is twenty one-hundredths of a cent, or one-fifth of a cent, remembering that the mark before the war was worth 23.80 cents, that would be a decrease of one hundred and nineteen times.

Mr. HITCHCOCK. Mr. President, I have admitted frankly that the value of the mark has gone down more rapidly than the wages of the German laborer have risen, but we all know that there is an end to that and they have reached it now. There is great distress in Germany to-day as to how they can stimulate their export trade, because without a great export trade the payment of indemnities is utterly impossible. It is the only way they can secure gold. For that reason the German Government have been making desperate efforts to stimulate their export trade.

The other day the Senator from Massachusetts [Mr. WALSH] placed in the Record some figures which showed, as the figures which I put in the Record showed, that in spite of the efforts of the German Government, through giving subsidies to manufacturers and subsidies to labor, the German export trade is only one-third of what it was before the war. So the German export trade is not a menace either to the United States or to any other country, notwithstanding the low price of the German mark. The fact is that with the very low price of the mark which Germany has to-day it is almost impossible for the German producer to buy raw materials in foreign countries, Cotton, which the German must buy either from the United States or from Egypt, has to be paid for in this miserably low mark that has gone down almost to the vanishing point, which means a tremendous increase in the cost of the raw material.

The very fact that the German export trade to-day is only one-third what it was before the war, after all this stimulation of two years and after the payment of all the subsidies to the railroads and others, is proof positive that there is no danger from German competition now any more than at any other time. Our imports from Germany to-day are only one-fourth of our exports to Germany. Our imports from Germany to-day are only one-half what they were before. To say that this indicates any danger to the United States is, to my mind, utter nonsense, inexcusable, and can not be backed by any statistics whatever.

I am not saying that there may not be certain industries upon which Germany may now be making some attack in an effort to sell goods in competition in this country, but even in this case the idea of saying to American women, "You need 20,000,000 pairs of gloves a year, gloves that have been selling to American stores at from 50 cents to a dollar a pair, but we are going to raise the tariff from 35 per cent to over 100 per

cent," is to say something which is utterly inexcusable. Even the propagation of a glove industry at Gloversville or anywhere else, employing a few hundred people, does not justify that tax upon the women of the Nation, women who are compelled to buy gloves and who have been buying the cheap gloves. Some of the gloves exhibited here have run up over a dollar a pair, and they are bought by the masses of American people who buy in the stores at 50 cents a pair. To put on those gloves a tariff of over 100 per cent is to my mind utterly inexcusable.

Mr. CALDER. But we do not do that. The rate on cheap gloves—

The PRESIDENT pro tempore. The Chair desires to remind Senators that we have a rule in the Senate which requires a Senator, who desires to interrupt another who is speaking, to address the Chair and be recognized before the interruption takes place.

Mr. McCUMBER. Mr. President, may I also suggest that we have another rule providing that no Senator shall speak on the same subject more than twice in the same day. We have had a general discussion back and forth here about a dozen times between Senators. We ought to allow a Senator to finish his remarks.

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from New York?

Mr. HITCHCOCK. I yield.

Mr. CALDER. I merely desire to interrupt the Senator, if he will pardon me for doing so, to say that the cheap glove selling for 50 cents is not being increased over 100 per cent in the matter of tariff rates.

Mr. HITCHCOCK. But I understand they are being increased. I have just been informed by an expert that the cheap 50-cent glove is subject to a tariff of \$2.50 a dozen, and it sells for something less than \$2.50 a dozen.

Mr. CALDER. I have submitted gloves purchased in Washington that sell for \$1 a pair. That glove will have the high rate. The cheaper gloves will carry a much lower rate.

Mr. HITCHCOCK. I have not the amendment before me, but I am told that the wholesale price of the glove is \$4 a dozen, and it sells in the American stores at 50 cents a pair, and is subject to a tariff of \$2.50 a dozen.

Mr. SMOOT. The Senator has the wrong glove. He is referring to the \$2.10 per dozen glove.

Mr. HITCHCOCK. I will read the figures. The regular 11-inch chamolsette glove, made of 80s yarn, invoiced at \$2.10, imported to wholesaler at \$4 a dozen, retails in Washington stores at 50 cents a pair. The committee proposes to add to that glove a tariff duty of over 100 per cent. The amendment of the Senator from Wisconsin [Mr. LENROOT] would limit that duty to 75 per cent. Of course, if we can not get anything better, we ought to take that; but I say such a thing will strike the American people as perfectly monstrous, no matter what the effect may be, even if it does give employment to a few hundred people in the country who might otherwise find more profitable employment. To tax an article of that sort, which must be worn by girls earning small wages in our stores and by women of limited means, is, to my mind, a perfectly monstrous outrage, and is not justified by any theory, even of Republican protection.

Mr. LODGE rose.

Mr. HITCHCOCK. Does the Senator desire to interrupt me?

Mr. LODGE. I thought the Senator had concluded.

Mr. HITCHCOCK. I think perhaps I have. I have expressed my indignant feelings on the subject in as strong language as I can. I can not believe that the proposed rate is justified by any tenet even of the high protectionists of the Republican Party.

Mr. LODGE. Mr. President, I dislike very much to differ from the committee on any rate which they propose. I desire very much to do everything I can for every American industry. In this case we know the mills are closed. But, Mr. President, I have listened to the debate with a great deal of care and I have looked over the figures, and I am entirely unable to find the comparative labor cost of the gloves in question. I have heard no proof offered to the effect that it is necessary to increase the rate provided in the Underwood law, under which the mills have been closed, to 119 per cent ad valorem in order that the mills may resume business.

Therefore, Mr. President, it seems to me that it is going very far in the case of an article which has no, or at least a very slight, compensatory duty, to impose a duty of 119 per cent. I should be very reluctant not to vote to sustain any industry of this kind; but it seems to me that in the present condition 75 per cent ought to be sufficient to enable the industry again to get upon its feet, which I particularly desire that it shall do.

Mr. McCUMBER. Mr. President, as each member of the Committee on Finance reserves the right, of course, to cast

his individual vote upon this subject irrespective of the vote of the committee, I think it not out of place that I should give my reason for standing by the committee. I am perfectly willing to base my conclusions upon the figures that have been furnished by the Senator from Ohio [Mr. POMERENE], figures which he says he has received from the Tariff Commission upon the classes of gloves bearing a rate of duty of \$2.50 per dozen.

We are dealing with the question of the cost of production at home and abroad, and the Senator from Ohio says that the American cost is \$5.65 per dozen and that the foreign cost is \$3.17 per dozen. So there is a difference of \$2.48 per dozen, and the committee had given a rate of duty of \$2.50 per dozen; in other words, the committee has given 2 cents a dozen more than appears to be necessary to measure the difference between the cost of production at home and abroad. The junior Senator from Wisconsin [Mr. LENROOT] offers an amendment that the rate of duty shall in no case be greater than 75 per cent ad valorem. Seventy-five per cent of \$3.17, the foreign cost of one dozen, amounts to \$2.37. Two dollars and thirty-seven cents added to \$3.17 makes \$5.54, and \$5.54 subtracted from \$5.65 leaves 11 cents per dozen less than the amount necessary to measure the actual difference in the cost of production at home and abroad.

I will agree with what has been said to the effect that the American cost of production will probably decrease and that the foreign cost of production may possibly be increased. In fixing the tariff rates on most of the items in the bill we have made that allowance, and have recommended rates considerably less than what would measure the present difference in the cost of production, as nearly as we can arrive at it, between the foreign country and this country; but in this particular line there is presented a feature somewhat different from that which is apparent in other cases.

Prior to the World War Germany had the entire American market; we did not have a "look in" in the American market in this class of goods. After the war came we developed the industry and we had the entire market. Now Germany comes to the front and is seeking again to dominate the market.

Mr. President, no matter what the conditions may appear to be upon their face to-day, I can see that there is going to be a most desperate commercial battle on the part of the country that but a few years ago had the entire American market again to gain that market. That being the case, and as the 75 per cent rate under the present basis of prices will lack 11 cents of measuring the difference in the cost of production at home and abroad, and the rate that we give of \$2.50 is only 2 cents in addition, I, as an American, facing what I believe will be a battle royal to gain the American market, shall, upon the chances, cast my vote upon the American side and shall vote for the duty which the committee recommends.

SEVERAL SENATORS. Vote!

Mr. HEFLIN. Mr. President, before a vote is taken upon this item, I wish to say a word in response to some suggestions which have been made by the Senator from New York [Mr. WADSWORTH]. I heard him refer to our being unable now to manufacture gloves and to the fact that operatives of glove factories were out of employment. That is no new thing, Mr. President. When no gloves were coming in at all from Germany, the deflation policy of the Federal Reserve Board closed the factories. Senators do not want to think about that and they do not want the people reminded of that. They come with the old story, which they always spring, that a high protective tariff is the cure for all industrial ills.

I can tell the Senator why the glove factories are closed. The people who used to wear gloves, who under a Democratic administration had money with which to buy gloves, patronized the glove factories of the United States; the glove manufacturing business was prosperous; there was nothing the matter with it then, for there were sold all the gloves which were manufactured; but when the purchasing power of the men and women of the country was destroyed the buying of gloves ceased. The merchant in every locality in the land wired to the wholesaler, "Cancel the order for gloves that I have sent you"; and when those orders were canceled the wholesale merchant went to the glove manufacturer and said, "Cancel my orders," and then the manufacturer of gloves said, "The factory must close." So, under a deflation drive in the interest of Wall Street and designed to make it millions and hundreds of millions, operatives in the glove factories were turned into the streets, as were hundreds and thousands of other men and women in America. That is what is the matter with the glove industry in America and many other industries.

Mr. President, the men down in my section who under the Wilson administration had enjoyed prosperity, and the men in

the West who had enjoyed prosperity and who shared that prosperity with the manufacturers of the East, had their property swept away, their property values destroyed by the millions and hundreds of millions of dollars, and their debt paying and purchasing power also destroyed. They could not buy; and the evil effects of this desperate deflation drive in the South and West have been reflected in the manufacturing centers of the East. That is what is the matter.

Not only that, Mr. President, but as the distinguished Senator from New York was pleading for protection for the glove makers of his State I thought of the farmer who had incurred debts in the spring of 1920. At that time he had plenty of material about him in the way of farm products and cattle to discharge those debts or pay them off and start anew with a clean bill of health, but when that deflation policy struck him and ruined his property values it destroyed his debt-paying power. He took what he had and paid one-fifth of what the stuff would originally sell for and left debts hanging over him which will take four years more to discharge. Yet Senators wonder why there is bolshevism in America to-day and such a spirit of unrest as has not stirred this Government in 50 years.

What is the farmer going to do? The Republican majority are not doing anything to restore his purchasing power; they are not doing anything to restore his debt-paying power; but they are undertaking to increase his taxes for the benefit of the glove makers of the East. That is what they are doing. They are going to put profits into the pockets of the glove makers by the exercise of the taxing power. They will permit the deadly deflation power that wrought that ruin in the South and West to sit here in this Capitol and flourish under their very eyes, and none of them will dare to open their mouths against it. Then Senators on the other side wonder why it is that the masses of the people are repudiating them and their party every time they get an opportunity. If they are intelligent human beings they will repudiate the conduct of the Republican majority. Do you think, Mr. President, they will submit to being held up and robbed and then rise up and smile and continue to vote to keep you in power?

It makes me sad to see the taxing power of my Government invoked to wring money out of the slender purses of people unable to pay it in order to put profits in the pockets of the manufacturers of the East. I plead for a fair deal for the rank and file of the men and women of America, and, Senators, we are going to have it as soon as the people have the opportunity to be heard again at the polls.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Wisconsin [Mr. LENROO] to the amendment offered by the Senator from Utah [Mr. SMOOT] on behalf of the committee, the amendment of the Senator from Wisconsin being to limit to 75 per cent the rates of duty provided in paragraph 914. The yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. CALDER (when his name was called). I have a pair with the senior Senator from Georgia [Mr. HARRIS]. I transfer that pair to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. DIAL (when his name was called). I have a pair with the Senator from Michigan [Mr. TOWNSEND], which I transfer to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. As on this question he would vote as I intend to vote, I consider myself released from my pair and will vote. I vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED] and will vote. I vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to my colleague [Mr. MYERS] and will vote. I vote "yea."

The roll call was concluded.

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Washington [Mr. POINDEXTER] and will vote. I vote "yea."

Mr. NEW. I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "yea."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. JONES of Washington (after having voted in the affirmative). I understand that the senior Senator from Virginia [Mr. SWANSON] has not voted. He is necessarily absent. I am paired with him for the afternoon. I understand that if present he would vote as I have voted, and therefore I will allow my vote to stand.

Mr. SMITH. I inquire if the Senator from South Dakota [Mr. STERLING] has voted?

The PRESIDENT pro tempore. He has not.

Mr. SMITH. I transfer my general pair with that Senator to the Senator from Alabama [Mr. UNDERWOOD] and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRANSMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 38, nays 17, as follows:

YEAS—38.

Ashurst	Jones, N. Mex.	Moses	Sheppard
Borah	Jones, Wash.	Nelson	Smmons
Capper	Kellogg	New	Smith
Caraway	Kendrick	Newberry	Stanley
Cummins	Keyes	Overman	Walsh, Mass.
Dial	King	Phipps	Walsh, Mont.
Hale	Ladd	Pomerene	Warren
Harrell	Lenroot	Ransdell	Willis
Heflin	Lodge	Rawson	
Hitchcock	McCormick	Robinson	

NAYS—17.

Brandegee	Curtis	McLean	Spencer
Broussard	Ernst	McNary	Wadsworth
Bursum	Gooding	Oddie	
Calder	Johnson	Pepper	
Cameron	McCumber	Smoot	

NOT VOTING—41.

Ball	Frelinghuysen	Norris	Swanson
Colt	Gerry	Owen	Townsend
Crow	Glass	Page	Trammell
Culberson	Harris	Pittman	Underwood
Dillingham	Harrison	Poindexter	Watson, Ga.
du Pont	La Follette	Reed	Watson, Ind.
Edge	McKellar	Shields	Weller
Elkins	McKinley	Shortridge	Williams
Fernald	Myers	Stanfield	
Fletcher	Nicholson	Sterling	
France	Norbeck	Sutherland	

So Mr. LENROO's amendment to the amendment of the committee was agreed to.

The PRESIDENT pro tempore. The question now is upon agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

Mr. SMOOT. Mr. President, I should like to return now to the hemp schedule, and get at least one vote upon it to-night. The pending amendment is on page 132, line 3.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 132, line 3, the Senator from Arkansas [Mr. ROBINSON] proposes to strike out "4 cents" and to insert in lieu thereof "1 cent."

Mr. ROBINSON. Mr. President, I do not desire to detain the Senate for a prolonged further discussion of this amendment. On yesterday and the day before it was pretty fully discussed. It has been shown during the course of the debate that attempts to create and maintain a hemp-producing industry in the United States have heretofore proved futile, and probably will now prove futile.

The subject of hemp growing is discussed by James Lane Allen in one of his romances, *The Reign of Law*. It is an interesting, a fascinating discussion of the subject which was entered into somewhat in detail by the Senator from Kentucky [Mr. STANLEY]. Mr. Allen in that book portrays the origin of the industry in Kentucky and the difficult labor required in all of the stages of the growth of hemp. He concludes with a statement that I think is quite significant, and I am going to read it, and then submit the case to the judgment of the Senate.

He says:

With the Civil War began the long decline, lasting still.

He had already discussed the character of the labor, and shown that it was performed in large part by black men.

Continuing:

The record stands that throughout the one hundred and twenty-five odd years elapsing from the entrance of the Anglo-Saxon farmers into the wilderness down to the present time, a few counties of Kentucky have furnished the Army and Navy, the entire country, with all but a small part of the native hemp consumed. Little, comparatively, is cultivated in Kentucky now. The traveler may still see it here and there, crowning those ever-renewing, self-renewing, inexhaustible fields. But the time can not be far distant when the industry there will have become extinct. Its place in the Nation's markets will be still further taken by metals, by other fibers, by finer varieties of the same fiber, by the same variety cultivated in soils less valuable. The history of it in Kentucky will be ended, and, being ended, lost.

That prophecy respecting the hemp industry already has been almost completely fulfilled. The reports available for the Senate show that Kentucky now produces less than one-third of the hemp grown in the United States, the State of Wisconsin producing almost two-thirds. It is a useless effort to impose a high tariff upon this product, when the history of the industry shows that it is not an American industry, that it is one that can not be successfully maintained under labor conditions prevailing in the United States.

I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as on the former ballot as to my pair and its transfer, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous vote as to the transfer of my pair, I vote "yea."

Mr. JONES of Washington (when his name was called). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I am paired with him for the afternoon, and therefore withhold my vote.

Mr. LODGE (when his name was called). Transferring my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Maryland [Mr. WELLER], I vote "nay."

Mr. NEW (when his name was called). Again transferring my pair as on the preceding ballot, I vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the previous vote, I vote "yea."

Mr. SMITH (when his name was called). I have a general pair with the Senator from South Dakota [Mr. STERLING], which I transfer to the Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. WALSH of Montana (when his name was called). Transferring my pair as announced on the last roll call, I vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

Mr. CALDER. Making the same announcement as before, I vote "nay."

Mr. ERNST (after having voted in the negative). I have a general pair with the senior Senator from Kentucky [Mr. STANLEY], which I transfer to the senior Senator from Maryland [Mr. FRANCE], and allow my vote to stand.

Mr. CARAWAY (after having voted in the affirmative). I transfer my general pair with the junior Senator from Illinois [Mr. MCKINLEY] to the junior Senator from Georgia [Mr. WATSON] and allow my vote to stand.

The result was announced—yeas 18, nays 32, as follows:

YEAS—18.

Ashurst	Heflin	Pomerene	Smith
Borah	Hitchcock	Rawson	Walsh, Mass.
Caraway	Jones, N. Mex.	Robinson	Walsh, Mont.
Connors	King	Sheppard	
Dial	Overman	Simmons	

NAYS—32.

Brandegge	Capper	Harrell	Ladd
Broussard	Curtis	Johanson	Lenroot
Bursum	Ernst	Kellogg	Lodge
Calder	Gooding	Kendrick	McCumber
Cameron	Hale	Keyes	McNary

Moses
Newson
New

Newberry
Oddie
Pepper

Phipps
Smoot
Spencer

Wadsworth
Warren
Willis

NOT VOTING—46.

Ball
Colt
Crow
Culberson
Dillingham
du Pont
Edge
Elkins
Fernald
Fletcher
France
Frelinghuysen

Gerry
Glass
Harris
Harrison
Jones, Wash.
La Follette
McCormick
McKellar
McKinley
McLean
Myers
Nicholson

Norbeck
Norris
Owen
Page
Pittman
Poindexter
Ransdell
Reed
Shields
Shortridge
Stanfield
Stanley

Sterling
Sutherland
Swanson
Townsend
Trammell
Underwood
Watson, Ga.
Watson, Ind.
Weller
Williams

So Mr. ROBINSON's amendment to the amendment of the committee was rejected.

Mr. McCUMBER. Mr. President, I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. SMOOT. The next amendment is in paragraph 1002. I do not think it will lead to very much discussion.

Mr. ROBINSON. No; I think we ought to dispose of that paragraph this afternoon.

The next amendment was, in paragraph 1002, page 132, line 5, to strike out "13" and insert "25," so as to make the paragraph read:

PAR. 1002. Silver and roving, of flax, hemp, ramie, or other vegetable fiber, not specially provided for, 25 per cent ad valorem.

Mr. ROBINSON. I propose an amendment to the committee amendment as follows, to strike out "25" and insert in lieu thereof "15."

This paragraph is not of great importance, but there is nothing in the information which has been available for my study of the subject to justify the increase which the committee proposes. The rate under the Payne-Aldrich law was 35 per cent. The present rate under the Underwood law is 15 per cent, the rate which I propose.

It is a singular fact that on the average importations under the Underwood law were less than the importations under the Payne-Aldrich law. The importations under this paragraph are very slight, but there is no circumstance within my knowledge which justifies making importations more difficult.

The United States does not produce this product in any considerable quantity, although it can be grown on some of our soil. For the same reason that the hemp and flax-fiber industry has been diminishing, the ramie-producing industry in the United States has never been prosecuted to any considerable extent. It is a very valuable and useful commodity, and I think importations and the use of it should not be prohibited, as would probably be the effect of the committee amendment.

Mr. SMITH. This is not a stalk out of which binding twine is made?

Mr. SMOOT. Oh, no; that is sisal. This is ramie and hempen flax.

Mr. ROBINSON. This product is susceptible of a very high polish, and is used in the manufacture of linens and materials closely related.

Mr. STANLEY. Hemp makes an ideal binding twine, on account of its withstanding water; but the reason that the binding twine is made of these other substances is because they are cheaper.

Mr. ROBINSON. The ramie is too rare and valuable a product, and too difficult to manufacture, to justify its use for that purpose, although, as stated by the Senator from Kentucky, both hemp and ramie could be used for making binding twine if they were not so expensive and difficult to obtain.

Mr. STANLEY. Senator Bradley some years ago made a very elaborate argument on the floor of the Senate urging a duty on jute butts, claiming that the jute butts were used extensively for binding. Is that still the case?

Mr. SMOOT. I do not think it is.

Mr. STANLEY. I do not find it so stated in the tariff reports.

Mr. ROBINSON. Mr. President, this product will never be grown to any great extent in the United States. It is useful and it is necessary, and I think the importation of it should not be prohibited, as may be the effect of this increased duty, although, as I have already stated, the production is constantly diminishing, notwithstanding the very low rate of duty now imposed. I think, as a matter of fact, putting it upon the free list would be justified. Inasmuch as the present rate is

15 per cent, I propose that rate in lieu of the committee amendment.

I will insert in the RECORD Table No. 9, on page 43 of the Tariff Information Survey, relating to yarns, threads, and cordage of vegetable fibers other than cotton.

I will also ask to have inserted in the RECORD a statement in the same report, on pages 36 and 37. I have marked the portion of the report which I desire to incorporate.

With this statement I am willing to submit the matter to a vote.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

TABLE 9.—*Ramie sliver or roving.*

Fiscal year.	Rate of duty.	Quantity.	Value.	Duty collected.	Value per unit of quantity.	Actual and computed ad valorem rate.
		Pounds.				Per cent.
1910 ¹	35 per cent.		\$4,449	\$1,557.15		35.00
1911	do.		38,335	13,417.25		35.00
1912	do.		60,263	21,092.05		35.00
1913	do.		15,764	5,517.40		35.00
1914 ²	do.		2,039	724.15		35.00
1914 ³	15 per cent.		4,638	695.70		15.00
1915	do.		8,194	1,229.10		15.00
1916	do.		7,397	1,109.55		15.00
1917	do.		4,641	696.15		15.00
1918	do.		273	40.95		15.00
1919	do.	1,000	367	55.05	\$0.367	15.00
1920	do.	5,205	5,438	815.70	1.045	15.00

¹ Aug. 6 to June 30, 1910. ² July 1 to Oct. 3, 1913. ³ Oct. 4, 1913, to June 30, 1914.

Recapitulation: The following facts, therefore, should be kept in mind in connection with imports of all classes of flax, hemp, and ramie yarns: (1) The total quantity imported is normally not over 2,500,000 pounds, or perhaps 15 per cent of our total consumption; (2) this is composed chiefly of coarse and medium counts, the bulk of it not finer than 40 lea; (3) counts finer than 40 lea are not produced in considerable amounts in the United States and imports of it are, in the main, noncompetitive; (4) reduction of the average duty on all classes from approximately 40 per cent ad valorem to about 19 per cent by the act of 1913 had little effect either upon total imports or upon any particular class, although the changed classification creates a deceptive fluctuation as regards coarse and medium leas.

It would seem, therefore, that imports were largely supplementary to domestic production. Manufacturers, because of difficult conditions, have not found it profitable to extend production too close to the total amount of domestic consumption where risks of loss from varying demand are most felt.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from Arkansas to the committee amendment.

The amendment to the amendment was rejected.

The amendment was agreed to.

Mr. HITCHCOCK. I understand the Senator from North Dakota does not propose to go any further with the bill to-night.

Mr. McCUMBER. No; a brief executive session is desired.

SOUTHERN PACIFIC-CENTRAL PACIFIC.

Mr. HITCHCOCK. I present resolutions adopted by the chambers of commerce of Omaha, Lincoln, Kearney, Sidney, North Platte, Scottsbluff, and Beatrice, and the Livestock Exchange of Omaha, all in the State of Nebraska. I ask that the resolutions of the Omaha Chamber of Commerce and the Lincoln Chamber of Commerce be printed in the RECORD and that all the resolutions be referred to the Committee on Interstate Commerce. I will state that these resolutions relate to the decision of the Supreme Court divorcing the Southern Pacific Railroad from the Central Pacific and protesting against any action of Congress calculated to nullify that decision.

There being no objection, the resolutions were referred to the Committee on Interstate Commerce, and those indicated were ordered to be printed in the RECORD, as follows:

OMAHA CHAMBER OF COMMERCE.

On June 27, 1922, the Omaha Chamber of Commerce unanimously adopted the following resolution:

"Whereas our city and the business interests of our entire State are vitally affected by any movement or influence which would adversely affect the income of Nebraska railroads on through or transcontinental freight shipments, and which would tend to increase or justify higher rates on shipments originating in Nebraska; and

"Whereas the control of the Central Pacific Railroad by the Southern Pacific Railroad has heretofore and for a number of years resulted in the diversion of oriental and Pacific coast tonnage destined for eastern markets, from the shorter and direct route through the Ogden gateway to the longer haul over the Southern Pacific through New Orleans and to the Atlantic coast over that company's lines, thus depriving the Nebraska railroads of the natural and proper income which they should receive on east and west bound transcontinental freights; and

"Whereas in a recent decision the United States Supreme Court has decided and held that the ownership and control of the Central Pacific Railroad by the Southern Pacific Co. is against the public in-

terest and contrary to the laws forbidding monopolization and stifling of competition in interstate traffic; and

"Whereas it has come to the notice and attention of this body that a movement is now being organized and promoted to induce and influence the Congress of the United States to pass laws which would nullify the recent decision of our highest court, and to influence the Interstate Commerce Commission to take such action as would have the effect to also nullify the said court decision: Now, therefore, be it

"Resolved, That it is the sense and desire of the Omaha Chamber of Commerce that the just and proper effect of the decision of the Supreme Court of the United States forbidding unlawful and harmful combinations in interstate commerce be sustained, upheld, and given effect; and be it further

"Resolved, That our Senators and Members of Congress be requested to oppose the enactment of any laws which may nullify the force and effect of the said decision of the Supreme Court of the United States; and be it further

"Resolved, That the Interstate Commerce Commission be also requested to refuse its sanction or approval of any order or act which would nullify the effect of the said decision."

LINCOLN CHAMBER OF COMMERCE.

Resolutions adopted by the Lincoln Chamber of Commerce, July 7, 1922.

Whereas it has been brought to the attention of this body that there is being promoted a determined effort to influence the Interstate Commerce Commission to nullify the effect of the recent decision of the United States Supreme Court declaring that the control and ownership by the Southern Pacific Railroad Co. of the Central Pacific Railroad Co. is held to be against public interest and constitutes a combination in restraint of trade and tends to monopolization: Therefore be it

"Resolved, That it is the sense of the Lincoln Chamber of Commerce that the decision is just and equitable, based upon a recognized principle of economic transportation, and should be upheld and enforced by the Interstate Commerce Commission; and be it further

"Resolved, That our Senators and Members of Congress be requested to oppose the enactment of any law which may tend to weaken the force of said decision of the Supreme Court; and be it further

"Resolved, That the Interstate Commerce Commission be also requested to refuse its approval of any order or act that would weaken the effect of said decision."

Mr. WARREN. On the same subject as the resolutions presented to the Senate by the Senator from Nebraska, I present resolutions adopted by the Chamber of Commerce of Cheyenne, Wyo. I ask that the resolutions may be printed in the RECORD—they are brief—and that they be referred to the Committee on Interstate Commerce.

There being no objection, the resolutions were referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

CHEYENNE CHAMBER OF COMMERCE, Cheyenne, Wyo.

Resolutions unanimously adopted by the Cheyenne Chamber of Commerce, July 11, 1922.

"Whereas the Supreme Court of the United States has found that 'the Central Pacific with its eastern connection at Ogden forms one great system of transportation between the East and the West, and the Southern Pacific with its roads and connections forms another great transcontinental system of transportation from coast to coast,' and has also found that the holding of the Central Pacific by the Southern Pacific constitutes an unlawful monopoly; and

"Whereas the officers of the Southern Pacific Co. have announced that they will endeavor to set aside the decision of the Supreme Court by congressional action; and

"Whereas the full development of interstate traffic through Wyoming requires that the Central Pacific shall be actively competitive with the Southern Pacific line from San Francisco via El Paso and New Orleans to New York; and

"Whereas it is impossible for Wyoming railroads to reach their full development or maximum efficiency without having full and hearty co-operation with connecting lines in securing, expediting, and caring for transcontinental traffic; and

"Whereas Wyoming is entitled to the advantages and to the many benefits which would result from free competition between the Southern Pacific southern route and the Central Pacific Ogden gateway route, and to the increase in size of railroad communities and railroad traffic which would result therefrom: Now, therefore, be it

"Resolved, That the Cheyenne Chamber of Commerce recognizes the wisdom and justice of the decision of the Supreme Court freeing the Central Pacific Railroad from the control of the Southern Pacific Co., and that the control heretofore exercised diverted many shipments of freight from its natural gateway over the short, direct route, to the detriment of the shippers and to the detriment of the State of Wyoming; and be it further

"Resolved, That the Wyoming Representatives in Congress be urged to take such action as may be necessary to prevent the passage of any legislation which would legalize the Southern Pacific-Central Pacific monopoly."

The above is a true copy of the resolutions which were unanimously adopted by the Cheyenne Chamber of Commerce on July 11, 1922.

J. L. HAVICE,

President Cheyenne Chamber of Commerce.

Attest:

[SEAL.]

J. J. SHOWALTER, Secretary.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 5 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Friday, July 21, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 20 (legislative day of April 20), 1922.

POSTMASTERS.

HAWAII.

Arcenio H. Silva, jr., Kahului.
Antone F. Costa, Wailuku.

KANSAS.

Hiram A. Gilmore, Howard.
Clarence W. Sharp, Virgil.
John H. O'Connor, Winfield.

MICHIGAN.

Holger F. Peterson, Grayling.

NEW YORK.

Ruth M. Marleau, Big Moose.
Jay E. Davis, Deansboro.
Charles H. Betts, Lyons.

OHIO.

John W. Switzer, Ohio City.

WEST VIRGINIA.

Katherine E. Ruttencutter, Parkersburg.
Flavius E. Strickling, West Union.

SENATE.

FRIDAY, July 21, 1922.

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE EIGHTEENTH AMENDMENT—RESPECT FOR LAW.

Mr. JONES of Washington. Mr. President, the thirty-seventh annual session of the National Editorial Association was held in Missoula, Mont., on Wednesday, July 19, 1922. Mr. J. C. Brimblecom, editor of the Newton Graphic, of Newton, Mass., is the acting president of the association. In his address to the association he uttered a sentiment that should meet with a hearty response in the heart of every man who loves his country. He urged a course of action that should be followed not only by every editor in the country but by every patriotic American. He uttered a sentiment which could well be the motto to be read by every American at the beginning of each day's work. I ask that the paragraph which I have marked may be read by the Secretary.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

LAWS MUST BE SUPPORTED.

The newspapers of this country, particularly the newspapers which go into the homes of our people, have a great opportunity at the present time to give substantial aid to the cause of law and order by refusing to publish any of the so-called jokes and sneers on the eighteenth amendment to the Constitution of the United States. No matter what you or I may say or think as individuals of the merits or demerits of prohibition, we must never forget that it is the fundamental law of the land and is entitled to as much respect as the laws against murder, theft, or treason.

For if you and I claim the privilege of violating with impunity the law regarding intoxicating liquors, we must admit the rights of others to violate any or all other laws regarding which they may have similar opinions. Such a condition spells anarchy, nothing less. There must be no discrimination in the enforcement of law, and every published joke or sneer regarding prohibition adds just so much to the general unrest which is altogether too prevalent in this country.

The police strike in Boston in 1919, the terrible outrages which took place last month in Herrin, Ill., and other exhibitions of the mob spirit in other parts of the country show how woefully thin is the shell of our civilization and clearly indicate the path of duty of every editor to his constituency as well as to his country. Massachusetts coined the phrase "No taxation without representation," and thereby pointed the way to national independence, and Massachusetts 150 years later gave to the country the slogan of "Law and order," on the support of which depends our national existence. Let us see to it that we editors do our full duty in upholding that slogan in our respective communities.

REIMBURSEMENT TO SACRAMENTO, CALIF.

Mr. JOHNSON. Mr. President, I ask unanimous consent for the present consideration of the bill (H. R. 9048) to authorize the California Débris Commission to reimburse the city of Sacramento, Calif., for money expended by said city in the construction of the Sacramento Weir. There is no opposition to the bill. Its passage is recommended by the Committee on Claims. The bill reimburses the city of Sacramento, out of moneys appropriated for flood control in the Sacramento River project, for moneys expended by the city under that

flood-control project at the suggestion and request of the United States engineers.

Mr. ROBINSON. I think the measure should be taken up and disposed of. So far as I am concerned, there is no objection to its present consideration.

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

Be it enacted, etc., That from funds appropriated and contributed for the control of floods on the Sacramento River in pursuance of the flood control act, approved March 1, 1917, the California Débris Commission is hereby authorized to pay to the city of Sacramento, Calif., the sum of \$161,557.08, as equitable reimbursement of money expended by the said city in the construction of the weir at the head of the Sacramento by-pass leading into the Yolo by-pass, such structure being an essential part of the project adopted by the aforesaid act as set forth in House Document No. 81, Sixty-second Congress, first session, as modified by the report of said commission submitted February 8, 1913, approved by the Chief of Engineers of the United States Army and the Board of Engineers for Rivers and Harbors, and printed in Rivers and Harbors Committee Document No. 5, Sixty-third Congress, first session, in so far as said plan provides for the rectification and enlargement of river channels and the construction of weirs.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ARCTIC FLIGHT ROUTES.

Mr. ROBINSON. Mr. President, I ask leave to have printed in the RECORD a statement by Mr. Edwin Fairfax Naulty concerning the strategical importance to the United States of Arctic flight routes. The statement is of great historical value and, I believe, it is reliable. I ask that it may be printed in the regular RECORD type.

There being no objection, the statement was ordered to be printed in the RECORD in 8-point type, as follows:

STRATEGICAL IMPORTANCE OF ARCTIC FLIGHT ROUTES TO THE UNITED STATES.

WASHINGTON, D. C., July 17, 1922.

HON. JOSEPH TAYLOR ROBINSON,

United States Senate, Washington, D. C.:

A press dispatch from Ottawa, Canada, dated July 13, 1922, and printed in the New York Times and other newspapers on July 14, reads:

CANADA TO OCCUPY ISLANDS—EXPEDITION WILL ESTABLISH TITLE TO TERRITORY OPPOSITE GREENLAND.

"OTTAWA, July 13.—A Government expedition will sail soon on the steamer *Arctic* for northern waters, to occupy islands north of Labrador and facing Greenland, across Davis Straits, thereby to set at rest all doubt concerning Canada's title to them.

"The expedition, to be commanded by J. D. Craig, International Boundary Commission engineer of the interior department [of Canada], will remain away until fall."

To understand the strategical importance of this action on the part of the Canadian authorities, another press dispatch, which I incorporated in my letter to you of July 4, 1922, which was printed in the CONGRESSIONAL RECORD of July 6, 1922, should be recalled. This dispatch, also from Ottawa, under date of May 13, 1922, read:

CLAIMS WRANGELL ISLAND—PLANS TO OCCUPY LAND DESPITE AMERICAN PRIORITY.

"OTTAWA, ONTARIO, May 13, 1922.—The Canadian Government maintains that Wrangell Island is part of Canadian territory; the Canadian flag now flies over Wrangell Island, and an expedition is being prepared to go up there. This is the declaration of the Prime Minister, W. Mackenzie King, when the House of Commons last night voted \$15,000 for patrol of the northern waters of Canada.

"C. P. Graham, Minister of Defense, said the amount was necessary to publish the report of the Stefansson expedition. Hugh Guthrie, former Minister of Militia, said there was no doubt that the United States would make claims to Wrangell Island on the ground of previous discovery."

The Stefansson expedition referred to is the party of three Americans and one Canadian who were sent in by Stefansson on the American vessel *Silver Wave* from Nome in September, 1921, a full account of which, at your request, was printed in the CONGRESSIONAL RECORD of March 22, 1922. And this is the same Stefansson whose views of the dignity of the United States Senate are set forth in a paragraph, printed under the heading "They're Human," by William Atherton Dupuy, in the Washington Times of March 11, 1922, which read:

"Vihjalmur Stefansson, the Arctic explorer, was down in Washington not long ago, and got talking with former Senator Joseph Bailey, of Texas.

"Are you considering any further trips to the north?" Mr. Bailey asked.

"Yes," said the explorer. "I am laying plans for a five-year drift into the Arctic."